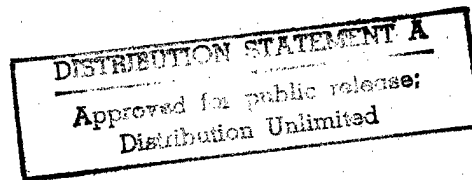


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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2431

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3 August 1983

EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2431

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INTERNATIONAL AFFAIRS

YUGOSLAV-CZECHOSLOVAK ECONOMIC COOPERATION DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 8 Apr 83 p 3

[Article by Anda Petrovic]

[Text] On the occasion of signing the protocol on economic cooperation for 1982, the representatives of Yugoslavia and Czechoslovakia stated that trade in goods had already reached the maximum volume in 1981, and that in the future more stress should be placed on greater cooperation in production and specialization, as well as on joint entry into third markets. Consequently, at that time the trade lists adopted represented only a 3.6 percent increase in volume compared to the results of the preceding year; they had a total value of 1.45 billion dollars.

That did not, however, hinder exporters and importers in both countries from surpassing that sum. Exports from Yugoslavia, according to still unofficial but reliable data, reached 863.3 million dollars, of which goods accounted for 606, and services for 171 million dollars (including 118.8 for transportation, 36.7 for tourism, and 15.7 million for non-goods payments). The remainder went for so-called "M" arrangements and other. At the same time, imports totaled 772.2 million dollars, with goods accounting for 611, and services for 89.4 million dollars (transportation was 88.3 million dollars and tourism, slightly more than 1 million), with "M" arrangements and various other payments accounting for the rest. When all of this is taken into consideration, the trade balance between the two countries for 1982 was out of balance by but 9.5 million dollars. In trade of this magnitude, that is certainly negligible and poses no problem. The success of last year's trade was the greater since both countries had their own specific problems resulting from domestic and foreign difficulties.

The degree to which the two countries are important trade partners for each other can also be seen in the fact that Yugoslavia is in sixth place among Czechoslovakia's trade partners, accounting for 4.1 percent of its total trade in both imports and exports; leading Yugoslavia are the USSR with 38.8 percent, the GDR with 9.7, Poland with 6.5, the FRG with 5.4 and Hungary with 5.2 percent.

Nevertheless, There Were Weaknesses

So far, trade has shown that both economies are interested in acquiring more raw materials and semimanufactured goods, with Czechoslovakia seeking primarily nonferrous metals and semimanufactured products, followed by agricultural products, protein feeds, wines and other goods. Yugoslavia's organizations, on their part, want ferrous metallurgy products, coking coal, chemical raw materials, pulp wood, textiles, as well as machines and equipment and industrial installations. In addition, last year more than previously Yugoslav contracting organizations sought more construction projects and bigger projects in Czechoslovakia, based on their successful completion of previous contracts.

There have been some problems regarding deadlines and deliveries for Yugoslav exports, for Yugoslav organizations have had difficulties with semimanufactured goods, and even more telling has been the fact that domestic markets have offered more favorable conditions and better price possibilities. Western markets have also been more attractive at the moment. Thus the volume of trade based on "M" arrangements has been cut in half, with Yugoslav exports remaining about 50 percent ahead of imports, either because there were no contracts or deliveries were late. The answer of partners in Czechoslovakia to this was to reduce deliveries of some of their goods. It might be said in passing that this situation was used by some "outsiders" to foreign trade activities in that area to buy certain essential goods for convertible foreign exchange and import them. Naturally, this would not have happened if the exporters of non-ferrous metals and the importers of ferrous metal products and coal had made timely self-management agreements, as negotiated in the Section several times and confirmed by a self-management agreement on organized and joint entry. A similar situation occurred with arrangements related to agricultural and livestock products.

There have also been shortcomings on the Czechoslovak side regarding deliveries (without penalties), for example, for two sugar plants and a thermoelectrical power plant, which consequently were late in beginning their operations. Such awkward situations could certainly be avoided by better organization and closer adherence to contracts both domestically and with the partner.

Great Opportunities in Cooperation and Specialization

Industrial cooperation is an area of cooperation in which, according to mutual estimates, a great deal remains to be done. Last year total trade according to such contracts amounted to 60 million dollars in 30 agreements. Actual totals were 66.2, with Yugoslav exports accounting for 37.6, and imports for 28.6 million dollars. Objects of agreements are spark plugs, measurement devices, hand tools, milling machines, semi-automatic lathes, coil cutter heads, woodworking tools, parts for NC machines, washing machines, electric ranges, refrigerators, vacuum cleaners, bicycles, forest tractors, baggers, and traction motors. Obviously, this kind of cooperation could amount to more, and accordingly, the protocol for 1983 expects a total of 70 million dollars, of which the bulk has already been put into contracts. The

possibilities for tool machines, tools and measuring instruments, consumer goods, precise technology items and streetcars have not yet been utilized. Nothing has even been started, but collaboration is possible in motor car and tractor production, electronic machinebuilding and medical equipment. The volume of trade for the 5 years 1981-1985 has been set at 300 million dollars, and it appears that that total will be surpassed if trade continues to grow at the rate seen last year.

Finally, it should be noted that among our Yugoslav organization there have been instances of disloyal competition that has often hurt the overall community, and certainly have not benefited even those who perpetrated it for more than the immediate moment. Despite all the negotiations and signed obligations, there has been no end to the operations of "parachutists" who as a rule do not inform the Unified Economic Office in Prague when they go to offer their wares. Obviously, in such cases the socially accepted self-management and legal possibilities for preventing such actions are not being utilized. There is an absolutely amazing softness in the activity of the unified economic offices and their directors, whose intervention stops at an occasional warning to a section about the behavior of individuals. On the other hand, there are examples like the offer of alumina from Prokuplje by Jugometal for 120 dollars when Kemikalija was offering it at 110 dollars [per ton?], both with authorization from the producer, or the railroad bridge offered by Balkanija, Agrooprema and Tehnometal of Vardar, or the identical products offered by TPK of Zagreb and Duro Dakovic, but at lower prices. It would be good if these were the only examples.

Finally, we would like to stress that fact that, despite all the improper actions in the operations and behavior of our Yugoslav organizations, and certain other difficulties, trade in goods with Czechoslovakia continues to be among the most successful and has the conditions to continue to grow and become richer.

Successful Conclusion

During January and February of this year, arrangements for trade (with provisional conclusions) with Czechoslovakia were made worth 661 million dollars, which is 44 percent of the established annual target. Arrangements for exports were worth 315 million, of which about 51 million has already been implemented. Imports of 346 million have been set, with 82 million dollars already imported. The percentages of increase are great, which generally satisfies businessmen, even though there are some discords that, if they are not eliminated by implementation of the principles of trade balance, could lead to unfavorable consequences, particularly in raw materials and semimanufactured goods.

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CEMA TRANSPORTATION INTEGRATION DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9-11 Apr 83 p 4

[Article by Anda Petrovic]

[Text] Shipment of goods by all means of public transportation in the CEMA member countries totaled 7 trillion [triliona] ton/kilometers in 1981, which compared to 1960 increased 3.3 times. Passenger transport was increased 3.2 times. Obviously, such large volume in cargo and passengers requires well established organization, major resources and technically sound equipment, and yet we know that to a significant degree transportation, especially in recent years, has been a bottleneck for the economies of these countries. In order to solve these problems together, the CEMA countries signed an intergovernmental agreement in 1981 providing for shipment of especially difficult and large-scale cargos.

Naturally, that is neither the first nor the only agreement of its type. The CEMA countries have, all together or in smaller groups, had such ties through a rather large number of individual agreements. At the regular meeting of the CEMA Executive Committee in January of this year, among other topics they considered ways to implement the Long-Term Plan Program for Cooperation in Transportation. At that time it was stressed that one of the most important objectives continues to be further strengthening of the material foundation by practical application of new achievements in science and technology. Also deemed to be useful was the introduction of supplementary measures for providing uninterrupted joint and transit traffic, better use of the shipping capacities at border crossings and more effective utilization of transportation resources. All of these measures and others as well are essential in order for transportation to fulfill the very large objectives assigned to it for the period 1981-1985, during which time total freight shipments are to grow by 17.6 percent and passenger volume, by 15 percent. Nearly half the export shipments are raw materials for energy production, but rapid growth is occurring in shipments for processing industries, such as machines and equipment, chemicals and other products.

The railroads remain the most important mode of transportation, and their share of total activity continues to grow within the framework of integration, rising from 45.3 to 48.2 percent. Oil and gas pipelines will account for 26.3 percent, while maritime shipping will handle 19.1 percent of total

freight shipments. The main area for increased shipments between CEMA countries will be the railroads, whereas in 1976-1980, pipelines and maritime shipping received the increases. The Long-Term Plan Program for Cooperation in Transportation adopted in 1979 anticipated more than 50 measures for developing and reconstructing transportation main routes, border crossings and ports, along with solutions to international air transportation problems and expansion of container and other types of modern shipping operations.

During 1981 and 1982, the electrification of the rail systems continued in Bulgaria, Hungary, Poland, Czechoslovakia and the Soviet Union, along with introduction of automatic signalling systems; certain border crossings were also reconstructed. All of these countries are directing their attention at the development and improvement of the freight car fleet, which from 1976 to 1980 received 31,000 new cars, so that there are now some 300,000, of which more than 125,000 are the enclosed type.

In water transportation, the CEMA countries have increased the size of the fleet. A special contribution to its enrichment came from the establishment of the international shipping enterprise "Interlihter" (involving Bulgaria, Hungary, the USSR and Czechoslovakia) with 200 lighters of the DM type, two lighters of the Julius Fucik type and 1,500 freight containers under its control. Within the framework of Interlihter an agreement has been signed to establish a system for tug operation control on the Danube. The USSR and Bulgaria have adopted a comprehensive technical complex for ferrying operations on the Varna-Il'ichevsk route, but it is still being perfected. Currently four ferries with capacities of 400 railcars are in use. The GDR and the USSR have developed a technical economic study and are preparing technical documentation for this type of shipping between the Baltic ports of Klaiped in the USSR and Zasnitz-Mukran in the GDR.

Countries interested in cooperation in automobile transport have concluded an agreement on reconstructing the main routes from Berlin to Moscow, Rostock to Constanca, Gdansk to Sofia and Moscow to Sofia, to provide greater traffic flow.

In air transportation, a general agreement has established the "International Scientific Research Center for Supervising Air Transportation." During 1981-1985 Bulgaria, Hungary, Czechoslovakia and the GDR are to complete 12 projects for construction and implementation of automatic control systems in this branch of transportation, as well as in reservations and ticket sales. An agreement on research is being implemented to contribute to the establishment of a center for organizing a unified air traffic control system, and a general agreement is being negotiated on joint use of other aspects of air transport: the Soviet Aurora system is being used by GDR's Interflug, and a similar agreement is being prepared between Aeroflot and CSA of Czechoslovakia, as well as a first agreement with the Cuban airline. A general agreement has been signed for joint construction of aircraft in the USSR, and for overhaul services until 1990. A similar document exists for cooperation in services on certain international routes, with new routes established from Tbilisi to Varna, Tiumen to Sofia, Simferopol' to Prague, Sochi to Prague, Sochi to Bratislava, in a word, between the great continental centers and the tourist centers on the Black Sea.

According to the Long-Term Plan Program, container transport should quadruple in the next 10 years, developing on the basis of new and highly perfected technical systems of unified traffic management. The CEMA countries are jointly developing the material and technological bases for producing such systems using various measures for more effective utilization. In the current 5-year plan period, for example, a significant increase is foreseen in the number of container lines, from 9 to 18, as well as in basic container shipment points from 164 to 245. During this time as well, the number of multi-tonnage containers will essentially be doubled, from 165,000 to 300,000 (not counting Romania, for which there are no data), while in the USSR the container "fleet" would increase by a factor of 3:2.

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INTERNATIONAL AFFAIRS

BRIEFS

SOVIET TOURISTS TO YUGOSLAVIA--Belgrade, Apr--According to the statement of its representative at the press conference, during this year's tourist season Intourist, the Soviet travel agency, will bring 50,000 tourists to Yugoslavia for vacations. Most of the Soviet tourists will spend their vacations at the Adriatic, while others will follow itineraries to the larger Yugoslav cities. A smaller number will follow Yugoslavia-Romania Yugoslavia-Bulgaria and Yugoslavia-Hungary routes. Compared to previous years, this year the number of specialized groups will also be increased. Also, some 3,000 tourists will come from the Soviet Union to Yugoslavia by ship. The journalists at the press conference were also informed of the Aeroflot jubilee, for this year the airline will celebrate its 60th anniversary of existence and operation. The results have been impressive. Last year alone, the aircraft of this airline landed at 117 airports in 94 different countries, carrying more than 105 million passengers and 2.65 million tons of freight. Aeroflot aircraft will land this year at airports in Belgrade, Zagreb and Dubrovnik. [Text] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9-11 Apr p 12] 12131

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STATUTES FOR SOCIALIST AGRICULTURAL ORGANIZATIONS APPROVED, PUBLISHED

Bucharest BULETINUL OFICIAL in Romanian Part I No 18, 28 Mar 83 pp 1-28

[Decree No 93 of the State Council of the Socialist Republic of Romania on the Approval of the Statutes of the Socialist Organizations in Agriculture]

[Text] In order to uniformly regulate the organization and activity of the socialist organizations in agriculture, on the basis of the decision of the Second Congress of the Management Councils of the Socialist Agricultural Units, the Whole Peasantry and the Working People's Councils in the Food Industry, Silviculture and Water Management and of the Fourth Congress of the National Union of Agricultural Production Cooperatives to adopt the statutes of these organizations, the State Council of the Socialist Republic of Romania decrees:

Article 1. The statutes of the socialist organizations in agriculture are approved, namely:

- a) The Statute of the Agricultural Production Cooperative;
- b) The Statute of the Intercooperative Economic Association;
- c) The Statute on the Cooperation and Association of the Agricultural Production Cooperatives with State Units or Ones in the Cooperative System for Production, Purchases and Commodity Sales;
- d) The Statute of the State and Cooperative Combined Agroindustrial Council.

The statutes are an integral part of the present decree.

Article 2. Decree No 346/1977 of the State Council is repealed, with the exception of the provisions of Article 1, Letter b, on the Statute of the Unions of Agricultural Production Cooperatives, which remain in effect.

Nicolae Ceausescu,
Chairman
of the Socialist Republic of Romania

Bucharest, 28 March 1983.
No 93.

The Statute of the Agricultural Production Cooperative

I. The Purpose and Object of the Agricultural Production Cooperative

Article 1. The agricultural production cooperative is the socialist economic organization in which the peasants unite of their own accord, putting in the cooperative's possession the land and the other main means of production. In the agricultural production cooperative, the labor is organized in common and the remuneration is done in relation to the quantity and quality of the labor performed, the output achieved and the economic development of the cooperative.

The agricultural production cooperative has as an object the joint cultivation of the land, the large-scale use of mechanization, chemicalization, irrigation and advanced science and technology for the obtaining of higher and higher vegetable and animal agricultural outputs, the development of small-scale industry, the processing of the agricultural output, and the performance of construction and services, with a view to the continual growth of the well-being of the peasantry, the social and cultural development of the village to a higher and higher level of civilization and the growth of the cooperative's contribution to meeting the consumption needs of the population and the national economy.

Through its entire activity, the agricultural production cooperative makes its contribution to fulfilling the tasks set by the Romanian Communist Party for forging the multilaterally developed socialist society and advancing Romania toward communism, to strengthening the alliance between the working class--the ruling class of society--and the peasantry and to raising the socialist consciousness of the peasantry.

The agricultural production cooperative has the continual and multilateral help of our party and state and, through the continual development of agriculture's technical-material base, has the conditions created for its economic and organizational consolidation. The agricultural mechanization station represents the main means by which the state provides for the mechanization of the work in the agricultural production cooperatives.

The continual growth of the output, and especially the commodity output, the utilization of it on the basis of contracts concluded voluntarily with the state and cooperative units, and the providing of the supply of agricultural and food products to the population and of raw materials to industry lead to the growth of the incomes of the cooperators and contribute to the progress of the whole country.

The agricultural cooperative is the most suitable form for uniting the efforts of the peasants and close combining their interests with those of all the working people and the whole society; it has a particularly significant role in our country's economy, in the whole historical period of construction of socialism and communism.

Article 2. The agricultural production cooperative attains the purpose for which it came into being through:

- a) The joint, full and efficient use of the land and the conservation and the continual raising of the production potential of all farmland owned by the cooperative;
- b) The rational management of all material and financial means, on the basis of the principles of self-management and self-administration, the better organization of production and labor, the reduction of production expenses, the continual growth of economic efficiency and the obtaining of profits in all sectors of activity, thus providing for the self-financing of the entire activity;
- c) The continual enhancement and development of the cooperative's property, a decisive factor in the growth of the output, in the economic development of the cooperative and in the growth of the well-being of the cooperators;
- d) Close collaboration in production, on a contractual basis, with the agricultural mechanization station, a section of which is integrated into the cooperative's activity; together with it, it is directly responsible for achieving the planned agricultural output; the payment for the work done by the station is done in accordance with the legal standards in force, on the basis of a rate per unit of agricultural product, in proportion to the outputs achieved;
- e) Cooperation and association in production with state and cooperative units for the achievement of new production capacities, the growth of the agricultural outputs, small-scale industry and services, the processing and advanced utilization of the products; the helping of the cooperators and other inhabitants of the villages to increase the agricultural outputs on their personal farms and to put the surplus to use in the state supply;
- f) The rational and efficient exploitation of the irrigation facilities, the drainage facilities and those for control of soil erosion executed from the state's funds and of those achieved with the contribution of the cooperatives;
- g) The economical and efficient use of the help given by the state through loans, technical assistance, chemical fertilizer, herbicide, seed from high-yield varieties, breeding stock and so on;
- h) The giving of material incentives to the cooperators through the application of the socialist principle of distribution according to the quantity, quality and social importance of the labor performed, in relation to the results obtained by each cooperative in fulfilling the production plan and the income and expense budget;
- i) The continual raising of the professional and cultural level of the cooperative's members and the meeting of their social needs;
- j) The education of the cooperators in the spirit of joint work, of order and discipline in production, of responsibility for properly managing, protecting and developing the cooperative's property and of the principles of socialist ethics and equity.

II. The Property of the Agricultural Production Cooperative and the Personal Property of its Members

Article 3. The property of the agricultural cooperative is composed of:

The land provided by the cooperators;

The work and production animals, the structures, the plantations, the means of transportation, the equipment, the installations, the farm implements and other assets provided by the cooperators and those obtained as a result of the activity of the agricultural cooperative or acquired by it in another way;

The entire vegetable and animal agricultural output and any other products or incomes resulting from the activity of the agricultural cooperative;

The fixed and circulating assets with which it participates in intercooperative economic associations and in associations with state units or ones in the cooperative system for production, purchases and commodity sales and the profits due from their activity;

The products and incomes achieved by jointly working the state-owned land provided to the cooperative for use.

The cooperative's property and the continual enhancement and development of it are the basis for the entire activity of the agricultural production cooperative and the growth of the well-being of its members.

Article 4. From the farmland owned by the cooperative the general assembly can assign, annually, a lot for use to each person who:

- a) Is a cooperator and achieved in the preceding year and pledges to also achieve in the current year the volume of labor set by the general assembly, in the periods of time and in accordance with the requirements of production;
- b) Is a cooperator and works, with the general assembly's approval, in the intercooperative economic associations and the associations with state units or ones in the cooperative system for production, purchases and commodity sales that the cooperative has joined;
- c) Is a cooperator permanently employed, with the approval of the general assembly of the agricultural production cooperative, in the state agricultural enterprise and works directly in this unit's sectors of agricultural production and of mechanization;
- d) Is a cooperator employed as a farm machinery operator or an agricultural mechanic of the agricultural mechanization station and works in the agricultural cooperative;
- e) Is an agricultural specialist, works in the agricultural cooperative and lives in the locality in which the cooperative has its headquarters.

The size of the lot can be equivalent in area to up to 15 ares of arable land, in relation to the category of use of the land and the class of natural fertility of the soil.

In the viticultural zones, in the case in which the lot assigned for use is planted with grapes, up to 5 ares, it will not be calculated by equating it to arable land.

In an agricultural production cooperative located in the hilly or mountain zone, the general assembly can assign for personal use lots of even more than 15 ares, when the respective land is on big, unmechanizable slopes, has low fertility and presents difficulties for the cooperative to exploit it.

The general assembly can decide, from case to case, on the retention or assignment of lots for use in the case of families with special situations (an inability to work, women with many minor children and others).

The cooperators who are pensioned retain the right of use over the lot that they possessed on the date of pensioning, under the conditions provided by statute.

The agricultural specialists who have become, under the conditions of the law, members of agricultural production cooperatives and live in a commune retain their right of use over the lot that they possessed, in accordance with the statute, on the date of pensioning, if the acquisition of the capacity of cooperator occurred at least 10 years before pensioning.

In the situation in which, through the assignment of the lots for use, the agricultural area in public use would be reduced and when lots of more than 15 ares are to be assigned for personal use, the approval of the county union of agricultural production cooperatives and the general directorate for agriculture and the food industry will be requested in advance.

The lots will be worked by the holder, personally or with the help of the members of the family, will be used only for agricultural production in conformity with the assigned crop plan and will not be able to be transferred in any way to other persons. The changing of the mode of agricultural use of the land entails the loss of the right to use the lot.

The field land allocated as lots for personal use is organized into special fields, in the vicinity of the villages, there being provided, for payment, the mechanized execution of the main agricultural work; the cooperative assists the persons to whom it has assigned lots of land for use with seed and planting stock from selected varieties and chemical fertilizer.

Article 5. The following constitute personal property of the cooperative peasants:

The dwelling and the auxiliary household structures, the land on which they are located and the yard, whose total area cannot exceed 250 square meters. When this area exceeds 250 square meters, the difference is included in the lot assigned for use;

The production animals and the small farm implements;

The incomes and savings achieved through labor;

The sums of money deposited annually in the fund for economic development of the cooperative, which constitute the share in their possession;

The output obtained on the lot assigned for use.

The cooperators can have in their personal possession, for their own needs, contracting, purchases and sale to the market, an unlimited number of production animals, poultry, rabbits, bee colonies and others. The minimum number of animals for a farm of the cooperative members is 1 cow for milk or 2-3 goats, plus 10 sheep, 1 hog, 15 laying hens and 50 chickens for meat.

The cooperators who contract to furnish animals and animal products to the state supply receive from the cooperative bulk fodder and areas of land for producing fodder in the stubble crop; areas of hayfields for harvesting, for payment in kind, are also assigned to the contractors for herbivores or for animal products from them. These cooperators use with priority communal grasslands, pastures in woods, glades and forest clearings and other areas of land for pasturing the animals.

The cooperators who have or acquire work animals are obligated to transfer them on the date decided by the general assembly. After the expiration of the date, they are utilized by the agricultural cooperative, in the owner's behalf, under the conditions and with the procedure provided by law.

The land--with the exception of that on which the dwelling, the auxiliary household structures and the yard are located, in a total area of at most 250 square meters--acquired through legal inheritance passes into the cooperative's possession.

The cooperators who acquire a second dwelling are obligated to dispose of one of them, under the conditions provided by law.

Article 6. The general assembly can provide as personal property, for payment, house lots of at most 250 square meters in area, from land owned by the agricultural cooperative, located in the perimeter demarcated by the respective locality's systematization plan, to the members of the cooperative and the personnel employed by it with a work contract of an indeterminate duration who want to build themselves a dwelling and who do not have a house lot in their personal possession. House lots can be provided under the same conditions to the specialists and farm machinery operators who work in the cooperative and have their residence in the respective locality.

Article 7. The transfer of the land owned by the cooperative for purposes other than those mentioned in the preceding article cannot occur except under the conditions of the law. The transfer of other goods can be done only for payment, on the basis of the approval of the general assembly, under the conditions provided by law.

III. The Members of the Agricultural Production Cooperative. Their Rights and Obligations

Article 8. Any agricultural producer, agricultural mechanic and other working people necessary to the cooperative's activity who have reached the age of 16 years and adhere to the provisions of the statute of the cooperative, putting in the cooperative's possession the land, the work animals and the main farm implements that they have in their possession, can be members of the agricultural production cooperative.

On joining the cooperative, each member pays the entrance fee set by the general assembly, which will not be less than 25 lei.

Article 9. The admission of new members to the agricultural production cooperative is done individually, by the general assembly, on the basis of a written request. On reaching the age of 16 years, the children of the cooperators become members of the agricultural cooperative, on the basis of the individual request and with the approval of the general assembly of the agricultural production cooperative.

Article 10. Each member of the agricultural cooperative has the right:

- a) To work in the cooperative in proportion to his capacity and training;
- b) To be paid for the labor and the results obtained and to receive fodder for the animals and poultry in his personal possession, in accordance with the Law on Payment for Labor in the Cooperative Agricultural Units;
- c) To participate in running the cooperative's affairs, to take part in the general assemblies and in those of the production subunit in which he works, to express his opinions and to make proposals regarding the entire activity of the cooperative, to participate in making the general assembly's decisions and to elect and--from the age of 21 years--to be elected to the management council, the executive bureau and the auditing commission;
- d) To receive a portion of the profit obtained by the cooperative, set by the general assembly in relation to the contribution made to fulfilling the output and profits;
- e) To deposit annually a sum of money in the economic development fund, which would constitute the share in his possession, and to receive from the cooperative's profit an annual income in relation to the sum deposited in the economic development fund and in relation to the volume of the profits obtained by the cooperative.

After pensioning, the cooperators can maintain their deposited share and participate further in profits, in relation to its size.

The monetary deposits in the economic development fund are made for a period of at least 5 years. After this period, the deposited sums can be returned, completely or in installments, over a period of 2-5 years, in relation to the

financial possibilities of the cooperative. The complete return of the deposited sums is guaranteed.

The sums deposited by the cooperators as a share can be acquired through inheritance, under the conditions provided by law.

The farm machinery operators and specialists who work in the cooperative can deposit annually sums of money in the cooperative's development fund, under the same conditions and with the same rights as the members of the agricultural cooperative;

f) To receive help and facilities under the conditions of the law, for the improvement of professional training;

g) To receive aid from the statutory funds formed for this purpose by the agricultural production cooperative of which he is a member, under the conditions set by the general assembly;

h) To receive a pension and social-security benefits, in accordance with the law, as follows:

A pension for labor performed and old age;

A pension for the loss of all or most of the ability to work;

A supplementary pension;

A survivor's pension;

An allowance for a temporary inability to work, caused by illnesses and accidents;

A paid maternity leave;

Children's benefits;

Medical treatment in health resorts and spas.

The cooperators who work in the cooperative agricultural units, the pensioned cooperators and their family members receive gratis, during hospitalization, support and medication.

During ambulatory treatment, the cooperators receive medication and medical supplies, in accordance with the law.

Article 11. Moral and material rewards can be given to the agricultural production cooperative's members who have excellent results in the work of enhancing, developing and protecting the cooperative's property and participate actively in continually increasing the output, such as:

Verbal thanks;

Acknowledgment in the assembly of the production subunit;

Acknowledgment in public and in the general assembly of the cooperative;

Inscription on the honor roll of the agricultural production cooperative;

Incentives in objects, excursions and the sending to recreation and treatment;

Diplomas and badges of a top cooperator;

Bonuses for savings of supplies, fuel, energy and manpower.

The verbal thanks and the acknowledgments are approved by the management council, at the proposal of the head of the production subunit. The other rewards are approved by the general assembly, at the management council's proposal.

Article 12. An agricultural production cooperative that has the necessary financial funds can give to the cooperators a paid rest leave, under the conditions set by the general assembly, if they work 300 days per year in the cooperative.

Article 13. Each member of the agricultural cooperative has the following obligations:

a) To do work of quality in the prescribed places and in the stipulated optimum periods of time, to achieve the number of workdays and the volume of labor set by the general assembly, necessary for fulfilling the plan targets, and to follow the prescribed work program. The chairman of the agricultural production cooperative, the other management personnel, the technical, economic and administrative personnel, and those who work in the activities of small-scale industry, construction and services will participate directly in doing the agricultural work in the peak periods of the campaigns;

b) To comply with the provisions of the statute and of the internal-order regulation, to participate in preparing, adopting and carrying out the decisions of the general assembly and the assembly of the production subunit to which he belongs, and to implement the measures established by the management council and the executive bureau;

c) To contribute effectively to the enhancement, protection and development of the cooperative's property and to the prevention and elimination of waste and poor administration of the cooperative's material and financial means and to make his contribution to the development of cooperative democracy, to the strengthening of the collective spirit of labor and of the discipline, order and legality in the cooperative's activity, and to the application of the principles of socialist ethics and equity;

d) To continually extend his professional training, to apply in production the agricultural and zootechnical rules and to assimilate the knowledge needed for using the equipment, installations, machines and tractors;

e) To participate in carrying out the actions of protection, improvement and intensive use of the land resources, in maintaining and raising the production potential of the grassland and in preventing and eliminating the effects of natural disasters.

Article 14. The agricultural production cooperative, as a socialist form of organization of production and labor, expresses the unity of purpose and will of all its members. The respecting of the decisions adopted by the general assembly and the management council and of the measures established by its executive bureau constitutes an essential condition for the proper performance of the activity of the agricultural cooperative, for its economic and organizational consolidation. The violation of the statute's provisions, the decisions of the general assembly, those of the management council and the measures established by its executive bureau constitutes infractions that are detrimental to the cooperative and entail disciplinary and material liability, as the case may be.

The following constitute disciplinary infractions: the failure to participate in labor in the places prescribed and in the periods stipulated by the management council and the executive bureau; the failure to do the work with quality; the failure to use the equipment at full capacity; poor administration of the cooperative's property; and the violation of the labor-discipline standards and the other obligations provided by statute, under the conditions set by means of the internal-order regulation.

The disciplinary penalties that are applied for not respecting the statutory obligations are:

- a) The warning;
- b) The redoing of the work of unsuitable quality without pay or the bearing of the losses, under the conditions of the law, in the case in which the work can no longer be redone;
- c) The withholding of up to at most 10 percent of the pay due for the labor performed;
- d) The loss of the right to additional pay in the form of participation in profits, in the respective year;
- e) The withdrawal, during the year, of the lot for use, in the case of the failure to participate in labor and to do the work on time and with quality;
- f) The transfer to other work for a limited or unlimited time;
- g) The temporary loss of the right to vote;
- h) The dismissal from the cooperative.

The application of the disciplinary penalties mentioned in letters a, b, c, d and f is decided by the management council, and those in letters e, g and h, by

the general assembly of the cooperators. The latter also decides on the application of the other penalties for the infractions committed by the members of the management council and those of the auditing commission.

The protests of the cooperators dissatisfied with the management council's decisions on the application of the disciplinary penalties are resolved by the cooperative's general assembly.

Against the general assembly's decisions by means of which the dismissal from the cooperative was pronounced, and in the other cases, those dissatisfied can appeal to the county union and, against its decisions, to the National Union of Agricultural Production Cooperatives.

The material liability of the cooperators, farm machinery operators, specialists and other working people who work in the agricultural cooperative, for the losses caused to the agricultural production cooperative, by violating with guilt the statutory provisions or the decisions of the cooperative's leadership bodies, including by illegally possessing publicly owned land, can be established only in the cases in which the losses were discovered in at most 3 years after the date of their production, and the restitution of the sums or the equivalent value of the undue goods or services, in at most 1 year after the date of receiving the sums or goods or after the date when they received these services.

The obligating of the cooperators, farm machinery operators, agricultural specialists and other working people who work in the agricultural production cooperative to the payment of damages and to the restitution of the sums or the equivalent value of the undue goods and services is done by the management council, and in the case of its members and those of the auditing commission who have caused detriment to the cooperative in this capacity, by the general assembly of the cooperators.

The period of obligation to the payment of damages and the issuing of the decision of imputation is at most 60 days after the date when the body that has the right to decide on the obligation to damages and to restitution has taken cognizance of the production of the loss.

The matter of taking cognizance is done at the first plenary meeting of the collective leadership body after the registration of the detriment-ascertaining document.

After the expiration of the 60-day period, the detriment is imputed, by the executive bureau of the county union of agricultural production cooperatives, to the management council's members guilty of not taking the steps needed to obligates to payment the persons guilty of producing the loss. The same body reviews the general assembly's decisions on material liability, it having the right to suspend or replace those adopted in disregard of the statutory provisions or the legal standards in force.

The cooperators, farm machinery operators, specialists and other working people who work in the cooperative, dissatisfied with the obligation to the payment of

damages for losses caused to the cooperative or with the way in which the requests referring to the payment for labor due from the cooperative have been resolved, can appeal to the judicial commission in the cooperative or, as the case may be, to the court, under the conditions provided by law. The protests regarding the reduction in base pay for the failure to completely fulfill the tasks and to the establishment of additional pay are resolved by the cooperative's general assembly, and in the case of those who hold management positions, by the county union of agricultural production cooperatives, together with the general directorate for agriculture and the food industry.

The decisions on obligation to the payment of damages and of commitments to pay that are not contested within the allowed time are final and executory.

The leadership bodies of the agricultural production cooperative cannot waive the rights legally due it.

Article 15. One who withdraws or is dismissed from the agricultural production cooperative receives, in money, in accordance with the law, the equivalent value of the share of the assets provided by him to the cooperative and the sums deposited as a share in the economic development fund. The general assembly sets for each particular case, in relation to the cooperative's possibilities, the period of time and the annual installments in which the payment will be made. The remuneration due for the labor performed in the cooperative in the current year is paid at the end of the year.

In the case when a cooperator--through marriage or for other reasons--establishes his residence in another locality, he can become a member of the cooperative into whose range he moves.

The approval of the general assembly of the agricultural cooperative that he leaves and of the one that he enters is necessary for this. The cooperator retains all the rights provided in the statute, and the cooperative that he left is obligated to transfer to the cooperative to which he was admitted the equivalent value of his share, including the sums deposited in the fund for economic development of the cooperative.

IV. The Planning and Organization of Production and Labor. The Pay in the Agricultural Production Cooperative

Article 16. The agricultural production cooperative is a plan titular and has contractual responsibility of its own. It organizes its entire activity on the basis of the plan for prospective development, the annual production plan and the income and expense budget, which are prepared in accordance with the conditions and requirements for developing the cooperative, the interests of its members and the needs of the national economy; the cooperative will provide through the plan the material, financial and labor resources required for completely achieving the physical output and the targets for delivery to the state supply, the food consumption of the cooperators, the fodder need, the food and fodder reserve fund and the other funds provided by law and statute.

In planning and carrying out the entire economic activity, the agricultural production cooperative has the obligation to provide a continual equilibrium

between incomes and expenses and secure the achievement of profits, so that it is possible to form the economic development fund and the other statutory funds and the means needed for paying the cooperators in relation to the level of the output and incomes and to deposit the contribution to the pension and social-security fund.

In order to continually develop the agriculture cooperative and mobilize all the reserves for growth in production and labor productivity, the leadership bodies are assisted in the entire organizational and political activity connected with fulfilling the production plan by the unions of agricultural production cooperatives and, in the specialized technical and economic problems of production, by the specialists assigned to work in the cooperative, by the state and cooperative combined agroindustrial council and by the state agricultural bodies.

Article 17. The agricultural production cooperative organizes those branches of production--vegetable, animal, industrialization and semi-industrialization, storage and sale of the agricultural output, small-scale industry and cottage industry, construction and services--that would secure as full use as possible of the land, the other means of production, the work force and all the reserves for raising the agricultural output and increasing the incomes.

In preparing the production plans and the income and expense budgets and in carrying out the entire activity, the agricultural production cooperative provides for the application of the provisions of the programs drawn up together with the other cooperative and state agricultural units within the state and cooperative combined agroindustrial council for concentrating, streamlining and specializing the production and completely and efficiently utilizing all means of production and the work force, with a view to continually developing each unit.

In an agricultural production cooperative in which there is spare manpower, the management council is obligated to organize brigades and crews that would work in other cooperative and state agricultural units, on construction sites, in forest operations and in other activities, thus providing for full utilization of the work force throughout the year. The sums obtained from the beneficiaries of these activities constitute additional sources of income for the cooperative and its members.

Article 18. The agricultural production cooperative uses its own financial means, the loans given by the state, the advances for the contracted commodity output and the other monetary funds to properly carry out the production process, develop the various branches of activity and obtain greater outputs with as low expenses as possible.

The cooperative's leadership bodies have the duty to use sensibly the means meant for the investments for putting into operation on schedule highly efficient facilities that would provide for the development of the cooperative's property, the fulfillment of the obligations toward the state and the growth of the incomes of the cooperators.

The new productive investment facilities can be achieved only after full use of the existing ones is provided. In achieving the facilities, provision will be made for the reduction of the consumption of supplies, fuel and energy, the elimination of the overbuilding of agricultural and zootechnical structures, the priority utilization of local, cheap and easily procured materials, and the reduction of the duration of execution.

The loans are used in conformity with the purpose established for fulfilling the plan targets; the management council is responsible for the complete repayment of the loans on the due date.

Article 19. The organization of production and labor in the agricultural production cooperative is done according to production subunits and, within them, according to work formations. Between the heads of the work formations and those of the production subunits and between the latter and the cooperative's management, pledges are concluded by means of which the mutual rights and obligations are established, with a view to fulfilling the planned outputs. The pledges are approved by the cooperative's management council. The entire activity is performed on the basis of the work programs, set up according to days and kinds of work.

In the agricultural production cooperative, the work is done through the labor of its members, of persons employed by the cooperative under the conditions provided by law, and of the farm machinery operators of the agricultural mechanization station and the state-paid specialists.

Article 20. The forms of organization of production and labor in the agricultural production cooperative and the composition of the production subunits are established by the general assembly, depending on the specific conditions of the respective unit and on the requirements for the concentration and specialization of production.

The production subunits are: the farm, the brigade and the sector, which have a production plan and, as the case may be, also an income and expense budget, which are an integral part of the agricultural cooperative's production plan and income and expense budget.

The farm chief, the brigade chief and the sector chief are elected by the assembly of the respective production subunit, for a period of 2 years, and are confirmed by the cooperative's general assembly. The farm chiefs, brigade chiefs and sector chiefs who not confirmed in the positions to which they were elected will be replaced in at most 30 days.

The farm chief, the brigade chief and the sector chief provide for the fulfillment of the subunit's production tasks, organize and direct the production process and coordinate and guide the activity of the foremen, consulting with them on the organization of the production process; they concern themselves with keeping the means of production in good condition and utilizing them as rationally as possible, continually oversee the way in which the entire volume of manual and mechanical labor stipulated in the work estimates is performed and organize the recordkeeping for the labor and the results obtained, provide for

the regular organization of the assemblies of the production subunits and are responsible to them for their entire activity.

The farm chiefs, brigade chiefs, sector chiefs and other technical and economic personnel in the agricultural production cooperative are responsible both to the collective leadership bodies of the cooperative and to its chairman, chief engineer and chief accountant for the organization and performance of the activity and the fulfillment of the planned outputs and incomes in the subunit that they run.

The areas of land and other means of production needed for properly carrying out the production process are allocated to the farms, brigades and sectors for a period of several years.

The basic formation in the organization of labor within the production subunits is the mixed crew of cooperators and farm machinery operators, the crew of farm machinery operators or the crew of cooperators.

The organization of labor according to crews has as a purpose the strengthening of the spirit of collective labor and the discipline and the growth of the responsibility of the whole crew and each member of it for fully using the technical-material base, performing on time and with quality the volume of labor set for the entire area or the entire population of animals and obtaining the stipulated outputs.

The crew is organized with a permanent character, according to fields, strips and animal species and categories, at least for the duration of a production cycle or a calendar year.

The crew is run by a foreman who actually works in production, appointed by the cooperative's management council from the best farm machinery operators in the respective crew or from the cooperators with the most experience and with aptitudes in the organization of labor who possess prestige and authority among the members of the crew.

The foreman secures the strict observance of order and discipline in production, verifies daily the volume of labor performed by the cooperators and farm machinery operators and the quality of the work done and prepares the timesheet for each member of the crew.

The cooperative can organize various production activities with labor at the residence of the cooperative's members.

Article 21. In the agricultural production cooperative, the system of payment for labor comprises the following elements:

a) The base pay, in money or in money and kind, set on the basis of rates per labor quota, per unit of product or per 1,000 lei of value of the physical output, which constitutes the main part of the total pay of the cooperators;

- b) The pay in the form of participation in the fulfillment of the output and profits and in the division of the profits, within the plan, in money or in money and kind;
- c) The additional pay in the form of participation in the fulfillment of the output and profits and in the division of the profits, above the plan, in money or in money and kind;
- d) A raise for continuous service in the same unit or in the same sector of activity.

The main form of payment for labor is the overall contract system, with a rate per unit of product or per 1,000 lei of value of the physical output obtained or the services achieved, respectively.

In the agricultural production cooperative, the following forms of payment can also be used:

- a) In direct piecework;
- b) From overhead;
- c) On the basis of percent quotas of the output or its value, for some crops.

The forms of payment for labor are approved by the general assembly of the members of the agricultural production cooperative, at the proposal of the management council, depending on the specific conditions of each cooperative and sector of activity, there being provided the correlation of the pay fund with the level of the output and the incomes provided in the production plans and the income and expense budgets.

The form of payment on the basis of percent quotas is approved by the general assembly, with the advice of the county general directorate for agriculture and the food industry, at the proposal of the state and cooperative combined agro-industrial council.

The isolated, hard-to-reach land that cannot be amalgamated and worked by mechanized means can be allocated to the cooperators to be cultivated for a period of 3-5 years. In this case, the payment for labor is done in kind, in a proportion of up to 50 percent of the output obtained, on the condition of completely recovering the expenses incurred by the cooperative and achieving a profit of at least 5 percent. The allocation of this land and the level of the payment in kind are established by the cooperative's general assembly and are approved by the county union of agricultural production cooperatives, at the proposal of the state and cooperative combined agroindustrial council.

The labor performed in the agricultural production cooperative is remunerated at rates per labor quota, varying according to groups of complexity and production sectors, depending on the cooperative's economic power and the outputs and incomes obtained. The level of the rates is approved annually by the general assembly of the cooperators.

In order for each cooperator to perform as wide a range of work as possible and to be able to work effectively throughout the year to obtain steady incomes at a higher and higher level, in relation to the quantity and quality of the labor, in setting the volume of labor it will be ensured that several labor operations provided in the technologies are included in the same quota.

Article 22. The cooperatives form the pay fund and the fund for participation in the fulfillment of the output and profits and in the division of the profits, in money or in money and kind.

These funds' part in kind, meant for the cooperators who work in the cooperative, perform the tasks set by the general assembly and achieve the planned outputs, is set within the limits of the quantities of cereals--wheat and corn--for food consumption, in accordance with the territorial self-supply program, and the quantities of corn for feeding the animals and poultry on the personal farms of the cooperators, set in accordance with the law.

From the physical output obtained above the plan for the wheat, corn, potato, bean-seed and barley crops, the agricultural production cooperative gives to the cooperators who achieved the volume of labor set by the general assembly additional payment in kind, in the form of participation in the fulfillment of the output and profits and in the division of the profits obtained above the plan, in the quotas provided by law.

The quantities of cereals set by law for food consumption and fodder are provided from the pay fund to the pensioned cooperators who participate in labor and do the work stipulated in the approved work program.

The agricultural cooperative gives to cooperators and pensioners unfit for work and to orphaned children the quantity of cereals for food consumption and fodder from the aid fund, within the limit of the quantities approved by the general assembly for this fund, and it furnishes at cost the difference, up to the limit provided by law.

In an agricultural production cooperative or in its sectors of activity in which the pay is given only in money, the cooperative can furnish to the cooperators, at cost, at the contracting price, the quantities of cereals needed for food consumption for them and family members and for fodder, within the limits and under the conditions provided by law.

Article 23. For the labor performed during the year, the agricultural production cooperative gives, monthly, to the cooperators advances in money and, after harvesting the products, in kind.

The total pay rights are determined at the end of the year, after drawing up the balance sheet, on the basis of the physical output and the profit achieved in the whole cooperative and in each particular work formation, as the case may be.

Article 24. The base pay and the participation in the fulfillment of the output and profits and in the division of the profits, stipulated in the plan, are

guaranteed to the cooperators in the farms, brigades, sectors and crews that fulfill all the tasks that devolve upon them, do the work well and achieve the pledged physical output, while complying with the expenses connected with it.

Article 25. The general assembly of the members of the agricultural production cooperative sets the pay of the technical, economic and other specialized management and operational, administrative, service and watch personnel, depending on the level of the average income achieved by the cooperators who work directly in production and achieve the volume of labor set by the general assembly, the value of the physical output and the unit's size and complexity, in accordance with the law.

The pay rights of these personnel are conditioned by the achievement of a certain volume of labor in the production activity, set by the general assembly, within the limits provided by law, in relation to the unit's size and complexity and the volume of labor set for the cooperators who work directly in production.

The cooperators who perform their activity in zootechny, vegetable growing, vinegrowing and fruitgrowing, those trained in the trades of driver, truck-tractor operator, fitter, electrician and others, and those who hold technical, economic and other specialized management and operational, administrative and service positions who work continually throughout the year and fulfill the tasks that devolve upon them, are paid by the cooperative and have continuous service in the same unit and in the same sector of activity receive a raise for continuous service from the pay fund, under the conditions of the law.

The agricultural production cooperative has the duty to secure as rational use of the work force as possible, reducing to the necessary minimum the administrative positions and the consumption of labor quotas for the nonproductive activities. The administrative positions are established by the general assembly, within the limits provided by law.

V. The Allocation of the Output, the Utilization of the Material and Monetary Means. The Formation of the Profits and Funds

Article 26. The development of the property of the agricultural production cooperative is the source for continually increasing the vegetable and animal output and raising the standard of living of the cooperators.

This is achieved by completely and efficiently using the material and monetary means, obtaining outputs and financial results that would secure complete coverage of the expenses from its own incomes and performing a profitable activity that would permit the means needed for resuming the production process on a large scale to be allocated each year, mandatorily, to the economic development fund from the profit obtained.

Article 27. The planned physical output is allocated in the following order:

a) The payment in kind for the work done by the agricultural mechanization station;

- b) The repayment of the loans received in kind;
- c) The formation of the seed supply;
- d) The delivery of the contracted quantities to the state supply;
- e) The formation of the fund for payment in kind;
- f) The formation of the fodder supply, in the quantities necessary both for the zootechnical complexes with which the cooperative is associated and for its own managed farms;
- g) The formation of the reserve fund for food consumption and fodder;
- h) The formation of the fund for aid in kind, for pensioners and other persons unfit for work;
- i) The formation of the fund for participation in the fulfillment of the output and profits and in the division of the profits in kind.

Both through the plan and through the allocation of the output in kind, the agricultural production cooperative provides, in relation to the number and species of animals and the prescribed consumption rates, the bulk fodder required both for its own needs and for the cooperators who have animals, as well as a reserve that would amount to 25-30 percent of the annual consumption need.

The physical output obtained above the plan for wheat, corn, barley, potatoes and bean seeds is allocated for delivery to the state food and fodder reserve fund and for the additional payment in kind for the cooperators and other working people, in the form of participation in the fulfillment of the output and profits and in the division of the profits obtained above the plan, in the proportions set by law.

Article 28. The gross output obtained during the year is allocated as follows:

A. Material Expenditures

The seed and the planting stock;

The fodder consumed by animals and the litter;

The payment for the work done by the SMA [agricultural mechanization station] for the current year's production;

The chemical and natural fertilizer, the insecticide and fungicide and the herbicide applied;

The fixed-asset amortization for the respective year;

Medication and biological material;

Other material and administrative expenditures.

B. The Net Output

Continual growth of the net output constitutes the main source for the development of public property and the raising of the standard of living of the cooperators. The net output represents the newly created value and is determined as a difference between the gross output and the related material expenditures.

The net output, to which the interest and other incomes collected are added, is allocated for:

- a) The payment for labor;
- b) The contribution to the pension and social-security fund, calculated under the conditions provided by law;
- c) Taxes on land, on the pay fund and on the incomes from industrial activities;
- d) Insurance premiums;
- e) The aid fund;
- f) Expenses for personnel training and production practice;
- g) The monetary contribution for doing work of public interest, in accordance with the law;
- h) The eventual unimputable, undefrayed losses from preceding years;
- i) Other expenses provided by law.

C. The Formation and Allocation of the Profit in Money and in Kind

The profit expresses, synthetically, the result of the cooperative's economic activity and is formed after allocating from the net output the expenses mentioned in Letter B.

The planned profit is allocated for:

- a) The economic development fund, at least 70 percent, which represents 18 percent of the net output;
- b) The fund of circulating assets, up to 5 percent;
- c) The sociocultural and sports fund, up to 1 percent;
- d) The food and fodder reserve fund, in cereals, up to 7 percent;
- e) The intercooperative mutual aid fund, up to 2 percent;

f) The fund for participation by the cooperators and other working people in the fulfillment of the output and profits and in the division of the profits, up to 15 percent.

The fund for participation in profits for the share of the monetary deposits of the cooperators, farm machinery operators and specialists in the fund for economic development of the cooperative is also formed from the profit obtained by the agricultural production cooperative.

The profit achieved above the plan is allocated for:

- a) The economic development fund, 25 percent;
- b) The supplementation of the fund for participation by the cooperators and other working people in the fulfillment of the output and profits and in the division of the profits, 50 percent;
- c) The food and fodder reserve fund, in cereals, potatoes and other products, 22 percent;
- d) The sociocultural and sports fund, 3 percent.

D. The Formation and Destination of the Funds

- a) The following are added to the economic development fund formed from profit:

The sums for amortizing the fixed assets;

The monetary deposits, as a share, of the cooperators and of the farm machinery operators and specialists who work in the cooperative.

The shares of the cooperators, farm machinery operators and specialists in the development fund of the agricultural production cooperative cannot exceed 50 percent of the value of the public property;

Other sources, in accordance with the law.

The economic development fund is used for:

The achievement of investments, including the payment in kind and in money for the work force used for them;

The repayment of the loans for investments and of the related interest;

The return from the monetary deposits, as a share, of the cooperators, farm machinery operators and specialists, in accordance with the law;

The contribution to the social fund of the intercooperative economic associations and the associations with state units or ones in the cooperative system for production, purchases and commodity sales.

The funds resulting from the monetary deposits of the cooperators, farm machinery operators and specialists in the development fund are used, on the basis of the decision of the general assembly of the cooperators, only for productive investments meant for the development of public property that would lead to the continual growth of the cooperative's output and profits.

b) The fund of circulating assets, formed from profit and other legal sources, is utilized to form the prescribed stocks of raw materials, supplies, seed and planting stock, chemical fertilizer, fodder, young animals and those for fattening, and other elements of the nature of circulating assets and to cover the expenses connected with the unfinished production.

c) The sociocultural and sports fund formed from profit--to which the sums collected from cultural, artistic and sporting events and other legal sources are added--is used to finance the expenses needed for carrying out the actions in this field of activity.

d) The food and fodder reserve fund is formed in kind, for the purpose of assisting the cooperators and creating a reserve of fodder that would be utilized in case of natural disasters, and is used in accordance with the decision of the general assembly of the cooperators.

e) The intercooperative mutual aid fund is formed in cereals and in money. This fund is administered by the county union of agricultural production cooperatives and is meant for assisting the agricultural production cooperatives with temporary economic difficulties, in the form of a loan.

f) The fund for participation by the cooperators and other working people in the fulfillment of the output and profits and in the division of the profits is allocated to them in relation to the contribution made to the fulfillment of the output and profits.

g) The fund for participation in profits by the cooperators, farm machinery operators and specialists for the sums deposited in the fund for economic development of the cooperative is formed from the annual profit achieved, within the limit of a quota set by the general assembly that would provide to the depositors an annual income of 6 percent, calculated in relation to the total size of the deposited sum and the period elapsed since the deposit. In the case of overfulfillment of the planned profit, the annual income can be approved by the general assembly to be between 6 and 8 percent. In the situation in which the planned profit is not achieved, an annual income of 5 percent, calculated in relation to the sum deposited for the share, is guaranteed.

VI. The Leadership and Auditing Bodies of the Agricultural Production Cooperative

A. The General Assembly

Article 29. The general assembly is the highest leadership body of the agricultural production cooperative--which provides for the direct participation of the cooperators in running its affairs and represents the form of full

manifestation of the principles of cooperative democracy--the only one in a position to decide on its entire economic, financial and organizational activity.

Article 30. The general assembly is formed of all members of the agricultural production cooperative. It meets whenever necessary and at least once per quarter.

The general assembly is legally constituted if at least half of the number of the cooperative's members who participate in labor are present, and the decisions made are valid if they have gotten the vote of the majority of those present at the assembly.

The decisions for electing the management council and the auditing commission, approving the plan for prospective development, the annual production plan and the income and expense budget, allocating the profits, organizing and paying for labor, participating in forming the state and cooperative combined agroindustrial council and associating with the county union of agricultural production cooperatives, participating in actions of mutual aid, cooperation and association with other agricultural production cooperatives or state organizations or ones in the cooperative system for production, purchases and commodity sales and in work of common interest, approving the internal-order regulation and dismissing a member from the cooperative are valid if they have gotten at least two-thirds of the votes of the agricultural production cooperative's members present at the general assembly. The decisions are adopted by a show of hands and are recorded in a statement signed by the chairman of the cooperative and the members of the presidium of the assembly.

In the case when, for well-justified reasons (a lack of space for assembly, the too great remoteness of the farms, brigades and sectors from the place of assembly and so on), the general assembly cannot be held with all the agricultural production cooperative's members participating in labor, it will be constituted with representatives, elected from the members, in the proportion that will be set in the general assembly of the agricultural production cooperative. The election of the representatives is done according to farms, brigades and sectors, once per year.

Before the general assemblies formed by representatives, assemblies of the farms, brigades and sectors will be held, with the representatives presenting in the general assembly the opinions expressed in the assemblies of the production subunits. After each general assembly, the representatives will inform those who elected them about the general assembly's discussions and decisions.

Any of the cooperative's members can also participate, with an advisory vote, in the general assemblies formed of representatives.

The assembly formed of representatives performs all the duties of the general assembly, under the conditions provided by the present statute.

Article 31. The persons employed by the agricultural production cooperative with a work contract and those paid by the state who work in the respective unit and are members of the work staffs have the right to participate in

discussing in the general assemblies all matters regarding the fulfillment of the production tasks and to express their opinion on any matter of its activity. They elect and can be elected to, as the case may be, the management council of the agricultural production cooperative.

Article 32. The convocation of the general assembly of the agricultural production cooperative is done by the management council either on its own initiative or at the request of the auditing commission or of at least one-third of the number of the cooperative's members or at the request of the county union of agricultural production cooperatives.

The announcement of the agenda and the date when and the place where the general assembly is to be held is made at least 5 days beforehand.

Article 32. The general assembly of the agricultural production cooperative has the following duties:

a) It discusses and adopts the plan for prospective development, the annual production plan and the income and expense budget and sets the volume of the investments from its own funds and from loans; it approves the allocation of the output and profits achieved by the cooperative and the formation and utilization of the statutory funds;

b) It elects the chairman and vice chairmen of the agricultural production cooperative, the other members of the management council and the members of the auditing commission, sets the number of the executive bureau's members and confirms the farm, brigade and sector chiefs elected in the assemblies of the production subunits. The choice is made from the best cooperators, farm machinery operators, technicians, specialists and other categories of personnel who work in the agricultural production cooperative, have extensive experience and are good organizers and authorities on the problems of agriculture, respected for their moral and professional qualities.

The management council of the agricultural production cooperative and its chairman--elected by the general assembly of the members of the cooperative--are confirmed by the executive committee of the county people's council, with the advice of the county union of agricultural production cooperatives;

c) It analyzes and passes judgment on the statements and reports presented by the management council and the auditing commission;

d) It approves the conclusion of the contract with the agricultural mechanization, having as an object the performance of the agricultural work in joint responsibility, and of other economic contracts, under the conditions of the law;

e) It analyzes the possibilities of utilizing the commodity output and approves the sale of it, with priority, to the state supply and of the spare products to the state or cooperative units, to the intercooperative economic associations and direct to the consumers, under the conditions of the law;

f) It analyzes the progress of the agricultural work and the other production activities, the achievement of investments, the fulfillment of contractual

obligations, the repayment of loans, the discharge of other payment obligations and the financial results and adopts corresponding decisions;

g) It analyzes and approves the forms of organization of production and labor, the number of technical, economic, other specialized, and administrative personnel, the labor quotas, the rates of pay and the forms of payment, in accordance with the law;

h) It sets the volume of labor that is to be performed by the members of the agricultural production cooperative and the other persons, under the conditions of the law;

i) It approves the granting of aid within the limit of the aid fund formed by the agricultural production cooperative;

j) It decides on the use of the sociocultural and sports fund;

k) In accordance with the cooperative's general interests, it decides on the conditions under which the management council can put at the disposal of the members of the agricultural production cooperative, at cost, teams of animals for personal needs;

l) It decides on the participation of the agricultural production cooperative in actions of mutual aid, cooperation and association with other economic, cooperative and state units;

m) It approves the internal-order regulation of the agricultural production cooperative;

n) It approves the matter of subtracting from the accounts the missing material values found above the legal standards and transferring them to production costs, in the cases when the shortages are not due to the fault of persons, and other losses, under the conditions provided by law;

o) It approves the participation of the cooperative in the formation of the state and cooperative combined agroindustrial council and the association with the county union of agricultural production cooperatives;

p) It decides on the temporary suspension of the right to vote of the cooperators who, without having well-founded reasons, do not perform the volume of labor set by the general assembly;

r) It decides on the withdrawal, during the year, of the lot for use from the cooperators who do not participate in labor or do not do the work stipulated by the general assembly;

s) It resolves the objections made by cooperators to the requests handled unsatisfactorily by the management council;

§) It approves the unification with other agricultural production cooperatives or the division of the respective unit and decides on the exchanges or

amalgamations of land and the permanent or temporary removal of areas of land from agricultural use, under the conditions of the law.

The general assembly also performs any other duties that result from the present statute, from the statutes of the other cooperative agricultural organizations and from laws.

B. The Management Council

Article 34. The management council of the agricultural production cooperative conducts the activity in the interval between the general assemblies and is formed of 15-35 members elected by it, by a show of hands, for a period of 2 years.

The council has the following composition:

- a) Chairman, a position that is held by the chairman of the agricultural production cooperative;
- b) The vice chairman of the cooperative;
- c) Members: the chief engineer and the chief accountant, heads of the production subunits, and 7-17 persons elected by the general assembly from the cooperators and other categories of persons who work in the cooperative.

The management council's members who, in the interval between sessions, prove to be unsuitable can be replaced by the general assembly.

Article 35. The management council performs its activity on the basis of the principle of collective labor. The decisions and measures that are adopted must be the result of examining the opinions and proposals made by the members of the council. The management council in its entirety and each particular member are responsible to the general assembly for the entire activity. The management council usually holds sessions once per month.

The sessions are convened and conducted by the chairman. The decisions are adopted by a majority vote of the number of the council's members.

The management council reports periodically to the general assembly about the activity that it performs.

Article 36. The management council provides the observance of the statutory provisions and the current and long-term planning of the production and financial activity and is responsible for the steady implementation of the decisions adopted by the general assembly, for the complete fulfillment of the plan targets, for the development and protection of the property of the agricultural production cooperative, and for the fulfillment of the cooperative's obligations, resulting from law or contract, assumed toward the state.

In order to perform these tasks, the management council has the following duties:

- a) It provides for the economic and financial strengthening of the cooperative, the development and protection of its property, the full and efficient use of the land, the conservation and raising of its production potential, the complete utilization of the other means of production, the strict application of the standards stipulated in the technologies and the sensible use of all material and financial means and the work force to obtain as high outputs as possible with as low expenses as possible per unit of product;
- b) It prepares and submits to the general assembly for approval the draft of the plan for prospective development, the draft of the annual production plan, and the income and expense budget and makes proposals for allotting the production tasks according to farms, brigades and sectors;
- c) It organizes the production and labor and provides the conditions needed for fulfilling the production plan and increasing the industrial, vegetable and animal output, the services, the labor productivity and the efficiency of the entire activity;
- d) It exercises strict and continual control over the manner of fulfillment of the tasks and takes steps regarding the strict observance of order and discipline in labor by all cooperators and the other persons who work in the agricultural production cooperative;
- e) It provides the observance of cooperative democracy and the conditions needed for the direct and effective participation of all cooperators in managing the entire activity of the agricultural production cooperative;
- f) It organizes mass cultural, educational and sporting actions and ones of socialist and communist education of the cooperators;
- g) It appoints from its ranks the members of the executive bureau of the management council of the agricultural production cooperative, within the limit of the number set by the general assembly;
- h) It analyzes monthly and whenever necessary, in the council and in assemblies in the production subunits, the fulfillment of the production plan and the income and expense budget, the participation in labor and the fulfillment of the obligations assumed toward the state and takes the necessary steps;
- i) It secures the implementation of its own and the general assembly's decisions regarding the recovery of the losses caused to the cooperative's property, within the periods provided by the present statute or by law;
- j) With the help of the specialists in the cooperative, it organizes production conferences and exchanges of experience with the heads of the production subunits and the members of the agricultural production cooperative;
- k) It takes steps to continually raise the qualifications of the members of the agricultural production cooperative, by organizing the mass agricultural and zootechnical training courses and by sending them to qualification courses;

l) It presents to the general assembly, annually, quarterly and whenever necessary, statements and reports on the manner of implementation of its decisions, the fulfillment of the production plan and the income and expense budget, and the observance of the statute and makes concrete proposals for continually improving the activity of the agricultural production cooperative;

m) It appoints the foremen;

n) It hires, approves the transfer and cancels the work contract of, applies disciplinary penalties to and obligates to the payment of damages the personnel employed with a work contract;

o) It analyzes the manner of resolution of the requests and notifications of the cooperators and investigates and resolves the ones that refer to matters in its jurisdiction;

p) It analyzes the manner of implementation of the measures for providing the working and living conditions of the cooperators.

The management council also performs any other duties that result from the present statute, from statutes of the other cooperative agricultural organizations and from laws.

C. The Executive Bureau

Article 37. The executive bureau of the management council has 5-11 members and is composed of the chairman and vice chairmen of the agricultural production cooperative, the chief engineer, the chief accountant, the farm, brigade and sector chiefs and other personnel among the management council's members with responsible work in the cooperative. The number of the executive bureau's members is set by the general assembly of the cooperators, and its nominal composition, by the management council of the agricultural production cooperative.

The chairman of the executive bureau is the chairman of the agricultural production cooperative.

Article 38. The executive bureau has the following duties:

a) It organizes the current activity for fulfilling the plan targets and the income and expense budget;

b) It takes steps regarding full use of the means of production and the work force;

c) It analyzes and takes steps regarding efficient utilization of the products, on the basis of the contracts concluded;

d) It secures promptly the achievement of the investments and the entry of the facilities into operation on the stipulated dates;

e) It pursues and takes steps to provide the material base needed by the production subunits for fulfilling the plan targets;

- f) It takes steps in order for conditions to be created for the cooperators to perform the volume of labor set by the general assembly;
- g) It organizes the recordkeeping for the means of production, the labor performed and the incomes and expenses in all branches of activity of the agricultural production cooperative and secures the respecting of the correlations between them;
- h) It solves the social and labor problems of the cooperators and secures the preparation of their pension files;
- i) It investigates and resolves promptly the requests and notifications of the cooperators regarding the problems in its jurisdiction, communicating to them the solutions and the steps taken;
- j) It takes prompt steps regarding the application of the standards of the labor-safety and fire-prevention measures;
- k) It performs any other duties that result from the statute and laws, as well as the tasks set by the management council and the general assembly.

The executive bureau adopts decisions by a majority vote of the number of members.

Article 39. The chairman of the agricultural production cooperative provides and is responsible for the current management of its activity and for the application of the decisions of the general assembly, the management council and the executive bureau, in strict compliance with the laws and other legal provisions and with the standards of cooperative democracy.

The chairman bears the responsibility for the fulfillment of the production plan and the income and expense budget, the development and full and efficient use of the means of production and the work force, the fulfillment of the cooperative's obligations toward the state, and the performance of the other duties established by law.

The chairman organizes and pursues the daily fulfillment of the tasks regarding the entire activity of the cooperative, oversees the manner of utilization and preservation of its goods, pursues the respecting of the rights of the cooperators and informs the management council about the implementation of the decisions.

In taking the prompt steps, the chairman consults with the members of the management council and of the executive bureau and with the specialists in the agricultural production cooperative.

In relations with state bodies, socialist economic units and physical persons, the agricultural production cooperative is represented by the chairman. The committing of the agricultural production cooperative with regard to holdings is done through the signature of the chairman, the chief accountant and the chief engineer. In the chairman's absence, his duties are performed by one of the vice chairmen, appointed for this purpose by the management council.

Article 40. The chief engineer, the chief accountant and the other specialists who work in the agricultural production cooperative are responsible to the general assembly and the management council for the fulfillment of the production and economic tasks and the deliveries to the state supply and for the material losses caused to the cooperative through their fault and in connection with their work, in accordance with the law.

D. The Auditing Commission

Article 41. The auditing commission is the body for examining the administration of the agricultural production cooperative and is formed of five-seven members elected, by a show of hands, by the general assembly, for a period of 2 years. The commission elects from its members a chairman.

The auditing commission performs its activity on the basis of the principle of collective labor; the decisions are adopted by a majority vote of the number of the commission's members.

The auditing commission is subordinate only to the general assembly, to which it is responsible for the activity performed. It examines the administrative and financial activity of the management council, the recording of all incomes in money and in kind, the observance of the rules for making expenditures, and the keeping of the goods owned by the cooperative in good condition; it examines the way in which the requests and notifications of the members of the agricultural production cooperative have been resolved by the management council.

The chairman of the auditing commission participates, as a rule, in the sessions of the management council of the agricultural production cooperative and, in particular, when the matters of managing and administering the property of the cooperative are discussed.

Article 42. On the basis of the findings made, the auditing commission prepares a report in which it states the results of the examination; it makes to the management council concrete proposals for taking the proper steps to improve the labor, recovering the eventual losses caused to the property of the agricultural production cooperative and punishing those guilty of infractions or irregularities in administering its goods; it pursues the application of the measures established and approved by the general assembly.

The auditing commission is obligated to present to the general assembly, quarterly, annually or whenever necessary, reports on the findings made.

When serious infractions are found, the auditing commission has the obligation to ask the management council to convene the general assembly to discuss them and establish the proper steps, also informing, at the same time, the other competent bodies.

VII. Other Provisions

Article 43. The agricultural production cooperative is a juridical person.

The name and headquarters of the agricultural production cooperative are established by the general assembly.

Article 44. The agricultural production cooperative keeps its spare cash in an account at the Bank for Agriculture and the Food Industry.

The withdrawal of the cash is done only on the basis of the written order signed by the chairman, together with the chief accountant, or their substitutes.

Article 45. The agricultural production cooperative can participate, with the general assembly's approval, in actions of mutual aid and cooperation for doing work of common interest in the field of irrigation, diking and drainage and other land-improvement work and for forming intercooperative associations in the fields and under the conditions provided by the statutes of these associations.

The agricultural production cooperative can participate in actions of cooperation and association with state units or ones in the cooperative system for production, purchases and commodity sales, in accordance with the statutory provisions.

Article 46. In order to attain as well as possible the purpose for which it came into being, the agricultural production cooperative can take part in unions, in which case it has the obligation to carry out the decisions and heed the recommendations of the county union and the National Union of Agricultural Production Cooperatives and to comply with their statute.

The Statute of the Intercooperative Economic Association

I. The Purpose and the Formation of the Intercooperative Economic Association

Article 1. With a view to implementing the party's policy regarding the continual development and modernization of cooperative agriculture and the raising of its contribution to the progress of the national economy, the agricultural cooperatives within the same state and cooperative combined agroindustrial council can form intercooperative economic associations.

The association of the agricultural production cooperatives creates the broad framework for promoting advanced technology and achieving the concentration and modernization of production and the streamlining and specialization of the units, with a view to the continual economic and organizational consolidation and development of each agricultural cooperative as an independent unit, the growth of the incomes of the cooperators and the raising of cooperative agriculture's contribution to the development of the national economy.

Article 2. The association between the agricultural cooperatives contributes to the continual growth of production and labor productivity, the better and efficient utilization of the material and financial resources, the rational use of the work force, and the growth of the property of each agricultural production cooperative.

Article 3. The intercooperative economic association performs its activity on the basis of the party decisions, the state's laws and the present statute.

Article 4. The intercooperative economic association is formed on the basis of the voluntary agreement of two or more agricultural production cooperatives in the range of the same state and cooperative combined agroindustrial council. The association promotes and follows, in its entire activity, the principle of the autonomy of the agricultural production cooperatives.

Article 5. The intercooperative economic association is formed as an economic enterprise for building hothouses, heliogreenhouses and big zootechnical complexes, setting up new fruitgrowing and vinegrowing plantations owned by the agricultural production cooperatives, storing, processing and utilizing agricultural and food products and performing construction, industrial activities, and services.

As a rule, a single intercooperative economic association of the same type is formed within the state and cooperative combined agroindustrial council.

Article 6. The intercooperative economic association is formed by the interested agricultural cooperatives, at the proposal of the state and cooperative combined agroindustrial council, with the help of the county union of agricultural production cooperatives and the county general directorate for agriculture and the food industry, on the basis of the documentation, from which there shall result:

- a) The object of the activity and the technical and economic advantages of associating;
- b) The economic and financial condition of the cooperatives that ask to be associated, the contribution that is to be made by them and the influences on the later economic and organizational development of the associated cooperatives and on the incomes of the cooperators;
- c) The contribution of the intercooperative economic association to the growth of production and labor productivity and to the economic and organizational strengthening of the associated cooperatives;
- d) The providing of the manpower needed by the association from the associated cooperatives;
- e) The economic efficiency of the activity of the association.

Article 7. The general assembly of the cooperators in each agricultural cooperative examines the documentation for forming the association, decides on associating the cooperative and approves:

The constitutive document;

The agricultural cooperative's contribution in monetary means to forming the social fund;

The contribution in areas of land for locating the new zootechnical production capacities and setting up new vinegrowing and fruitgrowing plantations, in areas of land meant for producing vegetables and seedlings in hothouses and heliogreenhouses, and in those meant for producing bulk fodder for the zootechnical intercooperative economic associations;

The quantities of fodder, raw materials and supplies, the products for storage, processing and utilization, the animals for fattening, and other material assets that will be furnished at cost to the intercooperative association;

The participation with manpower in the activity of the association;

The dates for furnishing the stipulated contribution.

The documentation for forming the association, adopted by the general assemblies of the cooperators, at the proposal of the state and cooperative combined agroindustrial council, with the advice of the county general directorate for agriculture and the food industry and the county union of agricultural production cooperatives, is forwarded for approval to the Ministry of Agriculture and the Food Industry, the National Union of Agricultural Production Cooperatives and the Bank for Agriculture and the Food Industry. Matters also proceed in the same way in the case of expansion of the production capacities in the intercooperative economic associations.

Article 8. The intercooperative economic association has a juridical personality, which it acquires along with the recognition of its formation by the executive committee of the county people's council, is a plan titular and has contractual responsibility of its own, it being obligated to secure the fulfillment of the targets for production and for delivery to the state supply, under the conditions provided by law.

Article 9. The social fund of the intercooperative economic association is composed of the fixed and circulating assets with which the agricultural cooperatives participate.

The areas of land mentioned in Article 7 are assessed on their conveyance, in accordance with the legal regulations, by a commission appointed by the executive bureau of the state and cooperative combined agroindustrial council, and the values so established represent shares of the associated units. This land remains in the possession of the associated cooperatives.

Article 10. The social fund of the intercooperative economic association is increased through:

The portions of profits allocated for the economic development fund and the fund of circulating assets;

The value of the later subscriptions of the associated cooperatives;

The shares of the cooperatives that join the association later.

II. The Organization, Operation and Management of the Intercooperative Economic Association

Article 11. The intercooperative economic association is organized and performs its activity on the principles of self-management and economic and financial self-administration, on the basis of the plan for prospective development, the annual production plan and the income and expense budget, by managing with maximum efficiency the material and financial means that it has, covering the expenses from its own incomes and achieving profits under the conditions provided by law.

The intercooperative economic association of an agricultural type puts the commodity output to use in the state supply, in accordance with the plan provisions and the economic contracts concluded.

After furnishing the contracted quantities to the state supply, the intercooperative economic associations can sell through the utilizing associations or direct to the population, under the conditions of the law, vegetables, fruit and table grapes from the output obtained.

Article 12. The activity in the intercooperative economic association is achieved through the labor of the members of the associated cooperatives and other persons employed under the conditions provided by law.

The cooperators who work in the associations have all the rights provided in the Statute of the Agricultural Production Cooperative.

For doing the mechanized work, the economic association concludes contracts with the agricultural mechanization station in its range of activity.

The production in the intercooperative economic association is organized according to farms and sectors, and within them, the labor is organized according to crews of farm machinery operators, of cooperators and farm machinery operators or only of cooperators, formed for a period of at least a production cycle or a calendar year.

The size of the crew is set by the working people's council, depending on its type of activity and the specific conditions in which it works, within the limits set by the Ministry of Agriculture and the Food Industry.

The crew is led by a foreman appointed by the working people's council of the intercooperative economic association.

The crew receives from the farm chief the area of land or the animal populations, as the case may be, with the shelters and the other means needed for doing the work and fulfilling the output.

The main obligations and the responsibilities that devolve upon the crew, the farm and the sector are put in a pledge concluded between the farm chief or sector chief, respectively, and the foreman and are approved by the working people's council of the association. The pledge is signed by all members of the crew.

Article 13. The payment for labor is done on the basis of the overall contract system or of direct piecework, with rates per unit of product or per 1,000 lei of the output obtained, in accordance with the law.

The pay rights in the intercooperative economic association are established on the basis of the remuneration and the rates of pay in money or in money and kind, under the conditions provided by law for the agricultural production co-operatives and in relation to the output obtained and the incomes and profits achieved, so that self-administration and self-financing may be provided in each unit.

The rights in kind are provided by the associated cooperatives, within the limits and under the conditions set for cooperators.

The pay rights of the cooperators in the intercooperative economic associations of an agrozootechnical type that do the same volume of work and achieve the same outputs as those stipulated for the state agricultural enterprises are established in accordance with Law No 57/1974's provisions applicable to these enterprises of a similar rank and type.

The pay rights of the cooperators in the intercooperative economic associations of a type other than the agrozootechnical one are established in accordance with Law No 57/1974's provisions applicable to the state economic units or those in the artisan cooperative system, of a similar rank and type, if they do the same volume of work and achieve the same output.

Article 14. The hiring of the personnel with a work contract is done in accordance with the provisions of the Law on Payment for Labor in the Cooperative Agricultural Units.

Article 15. The collective leadership bodies of the intercooperative economic association are: the association's council, the working people's general assembly, the working people's council and the executive bureau of the working people's council.

Article 16. The association's council is formed of the chairman, the chief engineer and the chief accountant of each associated cooperative and two-three top cooperators, elected by the general assemblies of these cooperatives.

Each agricultural cooperative has the right to a single vote, regardless of the value of the share that it has contributed or the number of persons who represent it on the association's council.

The association's council can make decisions only if all the associated cooperatives are represented.

Article 17. The association's council has the following main duties:

a) It approves the production plan, the income and expense budget, the investment program and the reports on the production, economic and financial activity, with a view to fulfilling the obligations assumed through contracts, the providing of financial equilibrium and the self-financing of the association;

- b) It approves the allocation of the profits, within the limits provided by statute;
- c) It decides on the admission of other agricultural cooperatives to the association;
- d) It passes judgment on the requests for withdrawal from the association, setting the conditions and dates for returning the equivalent value of the share;
- e) It decides on the matter of dismissing from the association an agricultural cooperative that does not fulfill its assumed obligations, setting the conditions and dates for returning the equivalent value of the share provided by this cooperative;
- f) It approves the internal-order regulation;
- g) It elects from its ranks the chairman of the association and the members of the auditing commission;
- h) With the advice of the general directorate for agriculture and the food industry and the county union of agricultural production cooperatives, it decides on the hiring, the transfer and the cancellation of the work contract of the association's director, chief engineer and chief accountant and the specialists on the working people's council;
- i) At the proposal of the working people's general assembly, it appoints as members of the working people's council personnel with responsible positions: the chief engineer and the chief accountant, the chairwoman of the women's commission, heads of work departments and other specialists within the association;
- j) It cancels the work contract and establishes the disciplinary and material liability of the persons appointed to the working people's council;
- k) It approves the matter of subtracting from the accounts the shortages of material values found above the legal standards and transferring them to the production costs, when the shortages are not due to the fault of a physical person, and other losses, under the conditions provided by the legal provisions.

The association's council meets semiannually and whenever necessary, on the chairman's initiative or at the request of one-third of the number of associated cooperatives, the auditing commission or the working people's council.

The association's council adopts decisions by a majority vote, with the exception of the cases mentioned in letters a, b, c, d and g, when the decisions are adopted by a unanimous vote.

The decisions that commit the holdings of the associated agricultural cooperatives are valid only after their adoption by the general assemblies of the co-operators.

The representatives of each associated agricultural cooperative regularly inform the general assemblies of the cooperators about the decisions made by the association's council and about the results obtained in its economic activity.

An associated agricultural cooperative that feels that, through the vote expressed in its behalf, the mandate that it gave to the representatives was exceeded and that the decision adopted by the association's council does not correspond to the interests of the intercooperative association or its own interests has the right to appeal, within 30 days, to the county union of agricultural production cooperatives with a request for suspension, reexamination or annulment of the decision. In such cases, if the agricultural cooperative is not satisfied with the way in which the request was resolved, it has the right to appeal, within 30 days, to the National Union of Agricultural Production Cooperatives.

The bodies mentioned in the preceding paragraph can decide on the suspension, reexamination or annulment of the protested decision within 15 days after receiving the notification.

Article 18. The chairman of the intercooperative economic association has the following duties:

- a) He pursues the implementation of the decisions adopted by the association's council and the fulfillment of the contractual obligations;
- b) He convenes the association's council, in conformity with the provisions of the present statute;
- c) He informs the association's council about the way in which the decisions and measures adopted are being implemented;
- d) He guides and oversees the activity of the working people's council of the association.

Article 19. The auditing commission of the association has three-five members. The commission examines the administrative and financial activity performed by the working people's council, the recording of the incomes, the observance of the rules for making expenditures, and the keeping of the association's goods in good condition; it examines the way in which the requests and notifications addressed to the working people's council have been resolved.

The auditing commission is subordinate only to the association's council, to which it is responsible for the activity done.

On the basis of the findings made, the auditing commission presents to the association's council or the working people's council, as the case may be, proposals for taking the steps to improve the labor, to recover the losses caused to the association and to punish the culprits. The auditing commission pursues the application of the steps taken by the association's council and by the working people's council, also informing, at the same time, other competent bodies, whenever it finds acts whose seriousness requires them.

The auditing commission presents to the association's council, annually and whenever necessary, reports on the activity performed.

Article 20. The working people's general assembly is formed of cooperators and the other working people who work in the association.

The assembly is convened semiannually or whenever necessary, in ordinary sessions, on the initiative of the working people's council or at the request of at least one-third of the number of working people in the association, and has mainly the following duties:

- a) It discusses the 5-year and annual production plans, the income and expense budgets, and the measures that are necessary in order to fully mobilize the internal reserves and to increase the labor productivity and the economic efficiency of the entire activity;
- b) It approves the pledges regarding the overfulfillment of the plan indicators and the technical and organizational measures necessary for fulfilling them;
- c) It discusses periodically the results obtained and establishes the steps that are to be taken in order to fulfill the production plan and the income and expense budget;
- d) It allocates the fund for participation by the cooperators and other working people in the fulfillment of the output and profits and in the division of the profits, in relation to the contribution made to fulfilling them;
- e) It approves the number of members on the working people's council and on its executive bureau and the number of representatives of the cooperators and other working people on the council;
- f) It elects from the cooperators and other worker personnel representatives who would belong to the working people's council and decides on the recall of those who have not performed suitable activity;
- g) It appoints the persons who will hold the positions of chairman and first vice chairman on the working people's council;
- h) It elects a representative of the cooperators who works directly in production to the position of vice chairman of the working people's council.

The working people's general assembly is legally constituted if at least two-thirds of the number of cooperators and other working people who comprise the general assembly are present.

Article 21. The working people's council is formed of 5-35 members, their number being set by the working people's general assembly, in relation to the volume and complexity of the production, the degree of dispersion of the activity, and the number of personnel in the association.

The working people's council has the following composition:

Chairman, a position to which the secretary of the party organization of the association is appointed;

First vice chairman, a position to which the director of the association is appointed;

Vice chairmen: a representative of the working people who works directly in production, the secretary of the organization of the Union of Communist Youth and the chairwoman of the women's commission in the association;

Members: the chief engineer and the chief accountant, heads of the biggest departments and production subunits, appointed by the association's council, and 2-17 working people elected by the general assembly.

The working people's council is convened monthly and whenever necessary, by the chairman of the council, on his own initiative or at the request of the association's chairman or the auditing commission. The council adopts decisions by a majority vote of the total number of members.

Article 22. The working people's council provides for the fulfillment of the decisions of the association's council and the working people's general assembly and the other legal obligations; it is responsible for the proper management and use, in accordance with the law, of the entire area of land, for the continual development and growth of production, for the strict application of the standards stipulated in the technologies and for the sensible use of all material and financial means, so that all the plan targets may be fulfilled and maximum efficiency may be obtained in the activity, for which purpose it has the following main duties:

- a) It prepares and submits for discussion to the working people's general assembly and for approval to the association's council the draft annual and 5-year production plans and the income and expense budget;
- b) It establishes technical and organizational measures and provides for their application with a view to fulfilling the production plan and the income and expense budget, mobilizing the internal reserves and utilizing better the economic potential;
- c) It presents to the association's council and the working people's general assembly reports on the economic and financial activity and establishes measures for completely fulfilling the plan indicators and the income and expense budget;
- d) It takes prompt steps to improve the organization of production and labor;
- e) It analyzes periodically the structure of the production expenses and the economic efficiency of the activity, securing rational utilization of its own and borrowed material and financial means and the work force and continual improvement in the quality of the products;
- f) It decides on the hiring, the disciplinary liability, the material liability, the transfer and the cancellation of the work contract of the management

personnel, with the exception of those mentioned in Article 17, Paragraph 1, letters h and j;

g) It establishes measures for ensuring the integrity of the association's holdings and recovering the losses caused to public property;

h) It solves the social and labor problems of the worker personnel and secures the preparation of their pension files;

i) It examines the proposals of the auditing commission and the financial control bodies and takes corresponding steps;

j) It organizes cultural and sports formations of its own and in collaboration with the associated agricultural cooperatives;

k) It provides for the taking of the steps for knowing and applying the laws and the party and state decisions; it provides the material conditions for and assists in the activity of raising the level of socialist consciousness, for the purpose of developing an advanced attitude toward labor and public property;

l) It appoints the members of the executive bureau of the working people's council;

m) It analyzes periodically the way in which the executive bureau of the working people's council performs the duties set by statute and laws and the tasks that devolve upon it from the decisions of the association's collective leadership bodies.

The working people's council in its entirety and each particular member are responsible for the entire activity to the association's council and the general assemblies of the associated agricultural cooperatives.

Article 23. The executive bureau of the working people's council is formed of 3-11 members appointed from the members of the council. The number of the executive bureau's members is approved by the working people's general assembly.

The executive bureau is composed of the association's director, who also holds the position of chairman of the bureau, the chief engineer, the chief accountant and other management personnel and specialists.

Article 24. The executive bureau of the working people's council of the association has the following duties:

a) It organizes and pursues the fulfillment of the plan targets and the income and expense budget; it establishes measures for fully using the production capacities and rationally utilizing the work force and the worktime;

b) It takes steps regarding the conclusion of the economic contracts on time and the observance of contractual discipline;

- c) It takes steps with regard to providing raw materials and supplies, animals, fodder and so on;
- d) It hires, approves the transfer of, cancels the work contract of, applies disciplinary penalties to and obligates to the payment of damages the operational personnel;
- e) It presents reports to the working people's council about the activity performed;
- f) It applies the penalties mentioned in Article 14, letters a, b, c, d and f, of the Statute of the CAP /Agricultural Production Cooperative/ to the members of the associated cooperatives who work in the association, for breaches of labor discipline;
- g) It performs any other duties provided by statute and laws, as well as tasks set by the working people's council.

Article 25. The members of the executive bureau of the working people's council are responsible for properly administering and using all the material and financial means of the association and complying with the legal provisions and for the losses caused to the unit through their fault.

The making of the material and monetary expenditures is done only by the director and the chief accountant of the association, within the limits set by the association's council.

The director and the chief accountant are responsible for complying with plan, contractual and financial discipline and for taking the steps to ensure the integrity of public property and to develop and efficiently manage the goods of the association.

Article 26. The director provides the current management of the association and the implementation of the decisions of the collective leadership bodies of the association, for which purpose:

- a) He takes steps, in accordance with the law, regarding the fulfillment of the plan provisions, the proper organization of production and labor, and the prevention of occupational accidents and illnesses;
- b) He adopts measures for applying and improving the production technologies and organizes the technical quality control;
- c) He secures the steady supplying of materials, supplies, products, fuel and energy and takes steps to reduce the consumption of raw materials and supplies and to eliminate the nonproductive expenses;
- d) He secures the application of the principle of collective labor in the activity of the executive bureau;
- e) He promptly informs the collective leadership bodies of the association about the progress of the activity.

— The director represents the association in relations with juridical and physical persons.

Article 27. The profit resulting from the association's activity is determined as a difference between the receipts from utilizing the output obtained, services, other related incomes and production expenses, and the expenses that are borne directly from the financial results; the expenses for personnel training and production practice; the monetary contribution for doing work of public interest, in accordance with the law; the dues in the National Union of Agricultural Production Cooperatives, calculated in a quota of 1 percent of the net output; other expenses provided by law.

The profit provided in the income and expense budget is allocated for:

a) Portions due the associated cooperatives, in proportion to each one's share, at least 65 percent for:

Repaying the investment loans;

Supplementing the cooperatives' own incomes;

b) The association's economic development fund, at least 20 percent;

c) The association's fund of circulating assets, up to 5 percent;

d) The association's sociocultural and sports fund, up to 1 percent;

e) The association's reserve fund, up to 2 percent;

f) The intercooperative mutual aid fund, up to 2 percent;

g) The fund for participation by the cooperators and other working people in the association in the fulfillment of the output and profits and in the division of the profits, up to 5 percent.

The profit achieved above the plan is allocated for:

a) Portions due the associated cooperatives for supplementing their incomes in money, 45 percent;

b) The association's economic development fund, 20 percent;

c) The association's fund of circulating assets, 7 percent;

d) The supplementation of the fund for participation by the cooperators and other working people in the fulfillment of the output and profits and in the division of the profits, 25 percent;

e) The sociocultural and sports fund, 3 percent.

The profit is allocated to the associated agricultural cooperatives in proportion to each one's share.

In the case of nonuse, the funds formed from profit are allocated for the following year, with the same destinations.

Article 28. The statutory funds of the intercooperative economic association are formed and are utilized in accordance with the decision of the association's council, within the limits provided by the present statute.

The economic development fund is formed from: the associated agricultural cooperatives' shares meant for investments; the sums allocated annually from the profits achieved; the amortization of fixed assets; and other sources, in accordance with the law.

The economic development fund is used to achieve investments. In the cases in which the profits due the agricultural cooperatives do not provide for repayment of the loans for investments and payment of the interest on them, the reserves in the economic development fund of the intercooperative economic association are also used.

III. The Rights and Obligations of the Cooperatives That Have Formed an Intercooperative Economic Association

Article 29. The associated agricultural cooperatives have the following rights:

- a) To participate in preparing and adopting the decisions on the entire activity of the intercooperative economic association;
- b) To receive from the profit obtained by the association the portion in relation to each one's share;
- c) To receive, with priority, at cost, the services and the stock of materials and supplies produced by the association;
- d) To withdraw from the association. The withdrawal is done at the request of the agricultural cooperative, with the approval of the association's council, on the date and under the conditions set by it.

Article 30. The associated agricultural cooperatives have the following obligations:

- a) To participate in forming the social fund at the level and on the dates set and in increasing it, under the conditions approved by the general assemblies of the cooperators;
- b) To furnish to the association, at the contracting price or, in its absence, at the purchase price, animals, fodder and other products, under the conditions and on the dates set by means of economic contracts;
- c) To provide the manpower needed in order to achieve the investment facilities and perform the production activity, complying precisely with the number of persons and the dates stipulated in the contracts concluded with the association;

d) To be responsible for the obligations assumed by the association, in proportion to each one's share;

e) To pay penalties, interest and damages, as a result of not fulfilling completely and on time the obligations that devolve upon them with regard to the intercooperative economic association.

IV. Final Provisions

Article 31. The intercooperative economic association receives the same help from the state as the agricultural production cooperatives, with the exception of the remuneration of the specialists and the payment of the state allowances provided for management personnel.

Article 32. The disputes regarding holdings that arise between the association and the associated cooperatives and with other intercooperative economic associations or agricultural cooperatives are resolved by the unions of agricultural production cooperatives.

Article 33. The intercooperative economic association ceases its activity with the approval of the association's council, under the conditions provided by law.

The Statute

on the Cooperation and Association of the Agricultural Production Cooperatives with State Units or Ones in the Cooperative System for Production, Purchases and Commodity Sales

I. The Purpose of the Cooperation and Association of the Agricultural Production Cooperatives with States Units or Ones in the Cooperative System for Production, Purchases and Commodity Sales

Article 1. With a view to implementing the party's and state's policy of development and modernization of agriculture and meeting the requirements of the population and the national economy with high-quality consumer goods and services, the agricultural production cooperatives can organize actions of cooperation and can associate with state units or ones in the cooperative system for production, purchases and commodity sales.

The actions of cooperation and association have as a purpose the generalization, in an organized manner, of the advanced experience in the field of agricultural production, through the better placement of the crops within rotations, the creation of combined sectors in the field of fruitgrowing, vinegrowing, vegetable growing, and improvement and exploitation of natural pastures and meadows, the more sensible location of the raising of the different species of animals, the concentration and integration of agricultural production and the specialization of the units, the introduction of modern technologies and, on this basis, the growth of the output and the raising of the economic efficiency of the activity, under mutually advantageous conditions; these actions contribute to the unitary development of the activity of processing, industrialization and advanced utilization of the agricultural output and to the

development of small-scale industry and construction and service activity, along with the economic and organizational consolidation of each unit.

The actions of cooperation and association are organized and carried out with the help of the state and cooperative combined agroindustrial council, with the party decisions and the state's laws being followed precisely.

II. The Organization and Performance of the Actions of Cooperation

Article 2. Cooperation, in the sense of the present statute, means the organization of production, service, economic and technical actions among cooperative agricultural units and between them and state units or ones in the cooperative system for production, purchases and commodity sales, in the range of the combined agroindustrial council or outside it.

In vegetable production, in order to do all the work and obtain the planned output, the areas included in the action of cooperation are put in the charge of the unit that has the biggest area of land or another unit that has the best conditions for organizing the production and exploiting the land, designated by the state and cooperative combined agroindustrial council.

The cooperation contributes to the development of the economic activity in each locality, to the continual growth of the economic power of each unit, to the growth of the incomes of the cooperators and workers in these units and to the growth of their contribution to the development of the national economy.

Article 3. The cooperation is organized on the basis of the voluntary agreement of the agricultural production cooperatives, the state units or those in the cooperative system for production, purchases and commodity sales.

Within the activity of cooperation, the units preserve their autonomy and right of ownership or direct administration, respectively, over the means of production involved in the activity that is done in concert. They mutually organize and correlate their activity, on the basis of the production plan and the income and expense budget, and are responsible for managing and using well the entire area of land, continually developing and increasing the output, strictly applying the standards stipulated in the technologies and sensibly using all material and financial means.

Article 4. The cooperation pursues the raising of the level of economic and organizational development of the units, mainly through:

- a) The exploitation, modernization and expansion of the existing production capacities;
- b) The concentration of production and the specialization of the units;
- c) The rational use of the land and other means of production and the work force;
- d) The introduction of modern technologies and the scientific organization of production and labor;

- e) The improvement of soil fertilization and pest control;
- f) The providing of a steady stock of raw materials, supplies and other goods needed for the production process;
- g) The production, storage, processing and advanced utilization of agricultural and nonagricultural products;
- h) The organization and development of small-scale industry and construction and service activity;
- i) The execution and exploitation of land-improvement facilities.

Article 5. At the request of the units interested in cooperation, the state and cooperative combined agroindustrial council forms, together with them, a commission for preparing the documentation regarding the necessity, advisability and economic efficiency of the activity that is the object of the cooperation.

On the basis of the documentation prepared, the activity of cooperation is approved by the higher-ranking body of the state unit, at the proposal of its working people's council, and by the general assembly of each agricultural production cooperative or each cooperative for production, purchases and commodity sales, as the case may be, with the agreement of the general directorate for agriculture and the food industry, the county union of agricultural production cooperatives and, respectively, the county union of cooperatives for production, purchases and commodity sales.

Article 6. The activity of cooperation is performed on the basis of the cooperation contract concluded between the units, which contains:

The object and the duration of the cooperation;

Each party's contribution to the activity of cooperation;

The rights, obligations and responsibilities of the parties;

The conditions for amending, extending or canceling the contract.

The cooperation contract is concluded on the basis of the approval of the working people's council in the state unit and the general assembly of the members of each agricultural production cooperative or each cooperative for production, purchases and commodity sales that participates in the cooperation.

Article 7. The units that cooperate provide in their production plans and income and expense budgets the means needed for meeting all obligations contained in the cooperation contract.

The expenses needed for doing the work in the fields and other areas included in the action of cooperation are borne by each unit, in relation to the area held, in accordance with the law.

Article 8. Within the activity of cooperation for jointly achieving products or services, the production expenses incurred by each unit, within the limit of the planned expenses, correlated with the degree of plan fulfillment, are covered from the incomes obtained, and the financial results are shared in proportion to the contribution of the respective unit.

In the vegetable sector, the output obtained is shared in proportion to the area of land held by each unit, in relation to the average output attained on the whole area.

Article 9. The leadership body in the action of cooperation is the cooperation council, formed of the chairman of the agricultural cooperative, the director of the association and the state unit or the chairman of the cooperative for production, purchases and commodity sales, the chief engineers and the chief economists or chief accountants of the units that cooperate.

The chairman of the cooperation council is the director of the state unit or the chairman of one of the agricultural production cooperatives, in the case of their cooperation with units in the cooperative system for production, purchases and commodity sales.

Article 10. The cooperation council pursues the respecting of the rights and the fulfillment of the obligations of the parties; it establishes measures and is responsible for the performance of the activity contained in the cooperation contract.

The heads of the units that belong to the cooperation council regularly inform the collective leadership bodies of the units that they represent about the measures established and the progress of the activity of cooperation.

Article 11. The failure of the parties to meet the obligations assumed by means of the cooperation contract entails the penalties provided in the Law on Economic Contracts.

Article 12. The provisions of the present statute also apply accordingly to the actions of cooperation among the intercooperative economic associations or the economic associations between the agricultural production cooperatives and the state units with state units or ones in the cooperative system for production, purchases and commodity sales.

III. The Formation and Operation of the Associations

Article 13. The agricultural cooperatives can associate with state units or ones in the cooperative system for production, purchases and commodity sales, on the basis of the principle of voluntary agreement, to set up new capacities for production, storage, processing and services, state- or cooperative-owned, through the contribution of the parties from their economic development funds.

Each of the associated parties preserves its right of ownership and its other rights, in accordance with the contribution made.

Article 14. The association is formed between the agricultural production cooperatives and units in the cooperative system for production, purchases and commodity sales in the range of the state and cooperative combined agroindustrial council and state agricultural or industrial units, for: the construction of hothouses, heliogreenhouses and big zootechnical complexes; the creation of fruitgrowing and vinegrowing plantations; the storage, processing and utilization of agricultural products; and construction, industrial activities and services.

Article 15. At the request of the units interested in associating, the state and cooperative combined agroindustrial council forms, together with them, a commission for preparing the documentation for forming the association, from which there shall result:

- a) The object of the association's activity and the technical and economic advantages that result from associating for the parties;
- b) The association's contribution to the growth of production and labor productivity and the economic and organizational strengthening of the associated units;
- c) The contribution of the associated units to forming the social fund with areas of land and monetary funds and the dates for providing them;
- d) The quantities of fodder, raw materials and supplies, the products for storage and processing and the populations of animals for fattening that will be furnished, at cost, to the association by each unit;
- e) The providing of the manpower needed by the association;
- f) The economic efficiency of the activity of the association.

The preparation of the documentation is done with the help of the combined agroindustrial council, the general directorate for agriculture and the food industry and the county union of agricultural production cooperatives, the higher-ranking body of the state unit and, as the case may be, the county union of cooperatives for production, purchases and commodity sales.

Article 16. The documentation for forming the association and the draft of the constitutive document are submitted for approval to the general assemblies of the agricultural cooperatives and of the units in the cooperative system for production, purchases and commodity sales or the working people's councils of the state units, after which advice is given on them by the executive committee of the county people's council or that of the municipality of Bucharest and they are forwarded to the Ministry of Agriculture and the Food Industry, the National Union of Agricultural Production Cooperatives and, as the case may be, the competent ministry or the Central Union of Cooperatives for Production, Purchases and Commodity Sales.

Article 17. The association is founded through a decree of the State Council, at the proposal of the National Union of Agricultural Production Cooperatives

and the Ministry of Agriculture and the Food Industry and of the higher-ranking body of the state unit that is associated and, as the case may be, the Central Union of Cooperatives for Production, Purchases and Commodity Sales.

The association acquires a juridical personality on the date of the approval of its founding by the State Council.

The expansion and modernization of the production capacities of the economic associations between the agricultural production cooperatives and the state units or those in the cooperative system for production, purchases and commodity sales are done with the approval of the Ministry of Agriculture and the Food Industry, the National Union of Agricultural Production Cooperatives, the Bank for Agriculture and the Food Industry and, as the case may be, the authorized ministry or the Central Union of Cooperatives for Production, Purchases and Commodity Sales, on the basis of the approval of the collective leadership bodies of the associated units, and are included in the sole national plan for economic and social development.

The association is a plan titular and has contractual responsibility of its own, it being obligated to provide for the fulfillment of the targets for production and for delivery to the state supply; it performs its entire activity on the principles of self-management and economic and financial self-administration and is obligated to administer with maximum efficiency the material and financial means that it has, to cover its expenses from its own incomes and to achieve profits, under the conditions provided by law.

Article 18. The association formed between agricultural cooperatives and state units is organized and operates in accordance with the standards that apply to the state units, it having in relations with the state the same rights and obligations as the state units, including the financing and loans for the current activity. The association is subordinate to the higher-ranking body of the associated state unit.

The association formed by agricultural production cooperatives and units in the cooperative system for production, purchases and commodity sales is organized and operates in accordance with the standards that apply to the units in the cooperative system for production, purchases and commodity sales.

The cooperators who work in the association with the general assembly's approval have all the rights provided in the Statute of the Agricultural Production Cooperative, in accordance with the law. For the labor performed by the cooperators, the association transfers monthly to the agricultural production cooperatives the pay rights, the related tax and contribution for social security, the portion of the common and general expenses, and a portion of profit calculated in relation to the sum total of these expenses.

Article 19. The price system for the technical-material supply and the utilization of products in the associations formed between agricultural cooperatives and state units or ones in the cooperative system for production, purchases and commodity sales, of an agricultural type or one of processing, storage and utilization of agricultural products, is that provided for the agricultural production cooperatives.

Article 20. The association's social fund is composed of fixed and circulating assets and the areas of land with which the associated units participate.

The areas of land are assessed on their conveyance, in accordance with the legal regulations, by a commission appointed by the executive bureau of the state and cooperative combined agroindustrial council, and the value so established represents shares of the associated units. The land provided by the cooperative units remains in their possession, and that provided by the state units remains in the state's possessions. The social fund is increased in the course of the activity through:

- a) The portions of profits allocated for the economic development fund and the fund of circulating assets;
- b) The value of the later subscriptions of the parties;
- c) The shares of the units that join the association later.

The contribution of the associated agricultural production cooperatives to creating the social fund is financed from funds of their own and loans gotten by them in accordance with the legal regulations. The value of the subscriptions is approved by the working people's general assemblies in the state units and by the general assemblies of the associated cooperatives.

Article 21. The association can organize farms, sectors, sections, shops and other such subunits that perform their activity on the principle of economic accounting, without a juridical personality.

The ranking of the association, the list of positions, the table of personnel, the remuneration and the participation in profits are accomplished under the same conditions as for the state units of a similar type.

Article 22. The management of the association is done, in accordance with the principle of collective leadership, by the association's council, the working people's general assembly, the working people's council and the executive bureau of the working people's council. Their organization and operation are subject accordingly to the legal provisions on the organization and management of the state units.

Article 23. The association's council is formed of the chairmen, chief engineers and chief accountants of the agricultural production cooperatives, the director, the chief engineer and the chief accountant of the associated state unit and, as the case may be, the chairman, the chief engineer and the chief accountant of the unit in the cooperative system for production, purchases and commodity sales. To the council there also belong three-five cooperators elected, for a period of 2 years, by the general assemblies of the agricultural production cooperatives, three-five representatives of the workers appointed by the collective leadership body of the state unit and, as the case may be, three-five representatives of the unit in the cooperative system for production, purchases and commodity sales.

The chairman of the council of the association formed by agricultural production cooperatives and a state unit is its director, and in the case of the association created by agricultural production cooperatives and a unit in the cooperative system for production, purchases and commodity sales, one of the chairmen of the agricultural cooperatives.

The association's council meets semiannually and whenever necessary, on the chairman's initiative or at the request of one of the associated units, and adopts decisions by a unanimous vote, each unit having the right to one vote.

The association's council has the following duties:

- a) It approves the annual and long-term production plans, the income and expense budget, and the report on the economic and financial activity of the association;
- b) With the advice of the general directorate for agriculture and the food industry and the county union of agricultural production cooperatives, it decides on the hiring of the association's director, chief engineer and chief accountant; it cancels their work contracts and establishes their disciplinary and material liability;
- c) At the proposal of the working people's general assembly, it appoints as members on the working people's council personnel with responsible positions: the chief engineer and the chief accountant, the chairwoman of the women's commission, heads of work departments, and other specialists within the association;
- d) It approves the volume of the expenses that can be charged to production costs; it approves the matter of subtracting from the accounts the shortages of material values found above the legal standards and transferring them to the production costs, when the shortages are not due to the fault of a physical person, and other losses, under the conditions provided by the legal provisions;
- e) It approves the allocation of the profits obtained;
- f) It oversees the entire activity of the association.

The members of the association's council periodically inform the collective leaderships of the units that they represent about the fulfillment of the association's production plan and income and expense budget and about the manner of fulfillment of the tasks that have been assigned to them in representing the unit on the association's council.

Article 24. The working people's general assembly is convened semiannually and whenever necessary by the committee of the trade union, by mutual agreement with the working people's council, or at the request of at least one-third of the number of working people and has mainly the following duties:

- a) It discusses the long-term plan, the 5-year and annual production plans, the income and expense budgets, and the measures that are necessary for fully

mobilizing the internal reserves and increasing the labor productivity and the economic efficiency of the entire activity;

b) It approves the pledges regarding overfulfillment of the plan indicators and the technical and organizational measures necessary for fulfilling them;

c) It approves the collective work contract;

d) It analyzes the progress in fulfilling the plan, the pledges and the provisions of the collective work contract and establishes measures for fulfilling them;

e) It allocates the fund for participation by the working people in the fulfillment of the output and profits and in the division of the profits, in relation to the contribution made and the length of service in the unit;

f) It approves the number of members on the working people's council and on its executive bureau and the number of representatives of the working people on the council;

g) It elects the representatives of the working people who belong to the working people's council and decides on the recall of those who have not performed suitable activity;

h) It appoints the persons who will hold the positions of chairman, first vice chairman and vice chairman on the working people's council;

i) It elects a representative of the working people who works directly in production to the position of vice chairman of the working people's council.

The working people's general assembly is validly constituted if at least two-thirds of the number of worker personnel in the association are present.

Article 25. The working people's council has 5-35 members, depending on the volume and complexity of the production, the degree of dispersion of the activity and the number of personnel in the association.

The working people's council has the following composition:

Chairman, a position to which the secretary of the party organization in the association is appointed;

First vice chairman, a position to which the director of the association is appointed;

Vice chairmen: the chairman of the committee of the trade union, a representative of the working people who works directly in production, the secretary of the organization of the Union of Communist Youth in the association and the chairwoman of the women's commission in the unit;

Members: the deputy director or, as the case may be, the chief engineer and the chief accountant, the heads of work departments and the biggest production subunits, and 2-17 working people elected by the general assembly.

The working people's council is convened monthly and whenever necessary, by the chairman, on his own initiative or at the request of the chairman of the association's council, the director of the association or one of the associated units. The council adopts decisions by a majority vote of its members.

The working people's council implements the decisions of the association's council and the working people's general assembly; the council is responsible for the proper management and use, in accordance with the law, of the entire area of land, for the continual development and growth of production, for the strict application of the standards stipulated in the technologies and for the sensible use of all material and financial means, so as to fulfill the plan targets and obtain maximum efficiency in the entire activity, for which purpose it has the following duties:

- a) It prepares and submits for approval to the association's council the annual and long-term production plans and income and expense budgets;
- b) It establishes and applies technical, economic and organizational measures for fulfilling the plan and is responsible for the entire activity of the association;
- c) It analyzes and informs the association's council and the working people's general assembly about the way in which the economic and financial indicators for the association have been fulfilled and establishes measures for completely fulfilling them;
- d) It approves the balance sheet; it analyzes the evolution of the monetary accumulations, the profitability and the structure of the expenses and of the stocks of material values and takes steps for utilizing the production funds with maximum efficiency;
- e) It decides on the hiring, the transfer, the disciplinary liability, the material liability and the cancellation of the work contract of the persons with responsible work, with the exception of those mentioned in Article 23, Letter b;
- f) It prepares, together with the committee of the trade union, the collective work contract, submits it for approval to the working people's general assembly and analyzes periodically the fulfillment of its provisions and the implementation of the measures for labor protection and for control of environmental pollution;
- g) It provides for the taking of steps for knowing and applying the laws and the party and state decisions; it provides material conditions for and assists in the activity of raising the level of socialist consciousness, for the purpose of developing an advanced attitude toward labor and toward protection and administration of public property;

- h) It appoints the members of the executive bureau of the working people's council;
- i) It analyzes periodically the way in which the executive bureau of the working people's council carries out the duties conferred by law and the decisions adopted by the working people's council;
- j) It also performs other duties provided by law and statute and tasks set by the association's council and the working people's general assembly or by the collective leadership bodies of the higher-ranking forum to which the association is subordinate.

The working people's council in its entirety and each particular member are responsible for the entire activity to the association's council and the working people's general assembly.

Article 26. The executive bureau of the working people's council has 3-11 members. The number of the executive bureau's members is approved by the working people's general assembly, and the nominal composition, by the working people's council.

The executive bureau is composed of: the association's director, who holds the position of chairman of the bureau, the chief engineer, the chief accountant and other management personnel and specialists within the association, appointed by the working people's council from its members.

Article 27. The executive bureau of the working people's council of the association has the following duties:

- a) It organizes and pursues the fulfillment of the plan targets and the income and expense budgets of the association and the production subunits; it establishes measures for fully using the production capacities and rationally utilizing the work force and the worktime;
- b) It establishes measures for concluding the economic contracts on time and secures the delivery of the products on the dates stipulated in the contract;
- c) It approves--within the limits set by law--the technical and economic documentation for the investments stipulated in the plan and the putting of the investment facilities into operation and takes steps regarding the fulfillment of the technical and economic indicators;
- d) It analyzes the way in which the material goods are administered and takes steps to ensure the integrity of the unit's holdings and recover the losses caused to public property;
- e) It hires, cancels the work contract of, applies disciplinary penalties to and obligates to the payment of damages the operational personnel;
- f) It presents reports to the working people's council about the way in which the decisions made have been implemented;

g) It performs accordingly any other duties provided by law and statute and tasks set by the working people's council.

Article 28. The members of the executive bureau of the working people's council are responsible for properly administering and using all material and financial means of the association and complying with the legal provisions in adopting the decisions; they have collective material liability for the losses caused to the unit through their fault.

The making of the material and monetary expenditures of the unit is done only by the director and the chief accountant of the association, within the limits set by the association's council.

The director and the chief accountant are responsible for complying with plan, contractual and financial discipline and for taking the steps to ensure the integrity of public property and to develop and efficiently manage the entrusted goods.

Article 29. The director of the association provides the current management of the unit and carries out the decisions of the association's collective leadership bodies and the tasks set by the bodies of the higher-ranking forum to which it is subordinate, for which purpose:

He takes steps regarding the fulfillment of all the plan indicators of the association, the proper organization of production and labor, the continual raising of the economic efficiency of the unit, and the creation of the proper working conditions for all worker personnel;

He establishes measures for steadily supplying the production process, reducing the consumptions of raw materials and supplies and eliminating nonproductive expenses;

He secures the application of the principle of collective labor in the activity of the executive bureau;

He promptly informs the association's collective leadership bodies about the progress of the activity.

The director represents the association in relations with juridical and physical persons.

The director performs any other duties that devolve upon him in accordance with the legal provisions.

Article 30. The commissions for fields, which assist the collective leadership bodies in adopting and applying the measures needed for fulfilling the plan targets and increasing the economic efficiency of the entire activity, are organized and operate in the association. The nominal composition of the commissions for problems is established by the working people's general assembly; the commissions perform their activity in accordance with the law.

Article 31. The associated units have the following rights:

- a) To participate in preparing and adopting the decisions on the entire activity of the association;
- b) To receive a portion of the profit obtained by the association;
- c) To participate in increasing the social fund.

Article 32. The associated units have the following obligations:

- a) To participate in forming the social fund, at the level and on the dates set;
- b) To furnish to the association animals, fodder and other products under the conditions and on the dates set by means of the economic contracts;
- c) To provide the manpower needed for achieving the investment facilities and performing the production activity;
- d) To be responsible for the obligations assumed by the association, in proportion to each one's share;
- e) To pay, in accordance with the law, penalties, interest and other damages, as a result of not fulfilling completely and on time the obligations that devolve upon them with regard to the association.

Article 33. The profit from the association's activity is determined as a difference between the receipts from utilizing the output obtained, services, other related incomes and production expenses, and the expenses that are borne directly from the financial results; the expenses for personnel training and production practice; the monetary contribution for doing work of public interest; the dues in the National Union of Agricultural Production Cooperatives, calculated in a quota of 1 percent of the net output; other expenses provided by law.

The planned profit is allocated for:

- a) Portions due the associated units, at least 50 percent;
- b) The economic development fund, at least 20 percent;
- c) The fund of circulating assets, up to 8 percent. In setting the quota, the planned annual growth of the circulating assets will be taken into account;
- d) The reserve fund, up to 2 percent. This fund is used for production needs and social and sporting actions, with the approval of the association's council;
- e) The insurance fund, up to 15 percent;

f) The fund for participation by the working people in the fulfillment of the output and profits and in the division of the profits, up to 5 percent, but not more than the annual quota for the pay fund approved, for the state units, by means of the sole national plan for economic and social development.

The fund for participation by the working people in the fulfillment of the output and profits and in the division of the profits can be used only within the limit of the planned profit remaining after the allocation of the portions due the associated units and the formation of the funds mentioned in Paragraph 2, letters b-e.

The profit achieved above the plan is allocated for:

- a) Portions due the associated units, 45 percent;
- b) The economic development fund, 20 percent;
- c) The fund of circulating assets, 5 percent;
- d) Social actions, 5 percent;
- e) The supplementation of the fund for participation by the working people in the fulfillment of the output and profits and in the division of the profits, set under the conditions of the law, in relation to the ways in which it was obtained, 25 percent.

In the association formed with units in the cooperative system for production, purchases and commodity sales, the allocation of the profits is done after the payment of income tax, calculated in accordance with the law.

The profit is allocated to the associated units in proportion to each one's share existing at the start of the year.

The funds allocated from the planned and surplus profit, with the exception of those for forming and supplementing the fund for participation by the working people in the fulfillment of the output and profits and in the division of the profits and the portions due the associated units, are kept in the association's account.

In the case of nonuse, the funds formed from profit are allocated for the next year, with the same destinations.

Article 34. The withdrawal from the association formed by agricultural production cooperatives and state units or ones in the cooperative system for production, purchases and commodity sales can be done at their request, through a decree of the State Council, at the proposal of the National Union of Agricultural Production Cooperatives and the Ministry of Agriculture and the Food Industry and of the higher-ranking state body of the state unit or, as the case may be, the Central Union of Cooperatives for Production, Purchases and Commodity Sales.

Article 35. The disputes regarding holdings that arise between the association and the associated units and with other units are resolved by the State Arbitration Office.

The Statute
of the State and Cooperative Combined Agroindustrial Council

I. The Purpose and Object of the State and Cooperative Combined
Agroindustrial Council

Article 1. With a view to implementing the party's and state's policy of development and modernization of agriculture and applying the principles of worker self-management and economic and financial self-administration, the state and cooperative agricultural units are organized into state and cooperative combined agroindustrial councils, a higher form of organization and management of agriculture.

Article 2. The state and cooperative combined agroindustrial council provides the organizational framework needed for the management of the entire agricultural activity and the economic and social development of the localities and the taking of all the steps to concentrate the production and use fully and in a unitary way the land, the technical-material base and the work force, in order to increase production and labor productivity and the deliveries to the state supply, under the conditions of performing an activity of high economic efficiency and, on this basis, increasing the incomes of the cooperators and other working people in the component units.

Article 3. The state and cooperative combined agroindustrial council is responsible for the coordination and guidance, in a unitary way, of the production activity of the component units, for the adoption and implementation of the measures for streamlining and specializing these units, for the establishment and strict application, under the conditions provided by law, of the standards for doing agricultural work, for the implementation of the development programs and for the fulfillment of the production plans in all units.

In its entire activity, the combined agroindustrial council secures the firm application of the economic and financial mechanism, the growth of the strictness and the spirit of responsibility of all working people in the component agricultural units in the sensible utilization of the material and monetary funds, the continual reduction of production expenses and the application of a strict policy of economy, and the establishment of firm order and discipline in all production sectors.

Article 4. The combined agroindustrial council secures, in each component unit, utilization of the local resources of raw materials and supplies and the reusable materials and full utilization of the work force, by organizing activities of processing and industrialization of agricultural products, of production of construction materials and consumer and handcrafted goods, of production and reconditioning of parts, components and subassemblies for its own and the other units' needs, of expansion of the services for the population and the socialist units, of execution of installations for utilizing the local energy potential, and others.

Article 5. The combined agroindustrial council is responsible for the organization and achievement of the actions of cooperation and association in agricultural production, in the processing and advanced utilization of it and in the field of industrial, construction and service activities, with a view to securing the growth of production, under conditions of high efficiency, and the economic and financial consolidation of each unit.

Article 6. In its entire activity, the combined agroindustrial council applies the principles of socialist democracy and of the autonomy of the component units and ensures that the actions that are organized correspond to the interests of each unit, the cooperators and other working people and to the general interests of the state and the whole society.

Article 7. In performing the duties and tasks that it has, the combined agroindustrial council organizes and performs its activity on the basis of development programs, which contain tasks that devolve upon it from the national programs, drawn up for agriculture.

The state and cooperative combined agroindustrial council provides for the placement of the new production capacities and the development of the activities in the localities in its range, so that their economic and social development may be achieved in a harmonious fashion.

In performing its duties, the combined agroindustrial council carries out its activity in strict compliance with the party decisions and the state's laws.

II. The Formation and Operation of the State and Cooperative Combined Agroindustrial Council

Article 8. The state and cooperative combined agroindustrial council has in its composition the following units that have headquarters on its territory:

- a) The agricultural mechanization station;
- b) The state agricultural enterprises and the hothouse enterprises;
- c) The agricultural production cooperatives;
- d) The intercooperative economic associations and the associations between agricultural cooperatives and state units or ones in the cooperative system for production, purchases and commodity sales;
- e) Farms of the state agricultural units and of the units that have their headquarters in the range of other councils, including the piscicultural and sericultural ones;
- f) The state enterprises for the raising and fattening of hogs;
- g) The institutes, central stations and stations for agricultural research and production or farms of theirs;

- h) The agroindustrial secondary schools and the experimental teaching station;
- i) The plant-protection center or formations;
- j) Veterinary health districts and the animal reproduction and selection center or the artificial insemination points;
- k) The units of an agricultural type subordinate to other ministries and central bodies.

The state and cooperative combined agroindustrial council is formed on the basis of the decisions of the general assemblies of the component units, with the approval of the executive committee of the county people's council or that of the municipality of Bucharest, respectively.

Article 9. In its entire activity, the state and cooperative combined agroindustrial council secures strict observance of the principles of worker self-leadership and economic and financial self-administration.

The council operates on the principle of the budgetary units and has an expense budget of its own, allocated from the budget of the general directorate for agriculture and the food industry.

Article 10. The combined agroindustrial council is a titular of the plan, which it receives from the county people's council, through the general directorate for agriculture and the food industry, for each state and cooperative agricultural unit and, combined, for the component units. The state and cooperative combined agroindustrial council, together with the agricultural units, does the allocation of the plan targets according to fields, in a manner varying according to the degree of favorability, the production potential of the land and the technical-material base that they have, providing for the fulfillment of the production levels stipulated in the plan.

The plan is submitted for discussion and approval to the general assembly of each agricultural unit and, afterwards, to the general assembly of the state and cooperative combined agroindustrial council.

Article 11. The agricultural mechanization station, as a specialized unit of the state and cooperative combined agroindustrial council, together with the component state and cooperative agricultural units, organizes and secures the performance of the agricultural work in the optimum periods, in compliance with the technological standards, the use of the fleet of tractors and agricultural machines with high efficiency, and the strengthening of order and discipline in labor, with a view to increasing the agricultural output and the economic efficiency.

The agricultural mechanization station is responsible for providing tractors and agricultural machines, oversees the rational use and the observance of the technical standards for maintenance of the mechanical means, and does the repairing of the equipment, the reconditioning of the spare parts and subassemblies, and the supplying of liquid fuel, lubricants, parts and materials needed for normally performing the mechanized work for all the agricultural units.

Article 12. The state agricultural enterprises, the agricultural production cooperatives, the agricultural mechanization station and the other agricultural units in the composition of the combined agroindustrial council preserve their juridical personality and are, each particular one, plan titulars for the tasks that devolve upon them from the sole national plan for economic and social development and have contractual responsibility of their own, being obligated to provide for the fulfillment of the production and delivery targets for all crops and agricultural activities, under the conditions provided by law.

In conformity with the principles of self-management and economic and financial self-administration, each state and cooperative agricultural unit is obligated to administer with maximum efficiency the material and financial means that it has, to cover its expenses from its own incomes and to achieve profits, under the conditions provided by law.

In executing their own production plan and income and expense budget, the component units have direct relations on a contractual basis both with units within the combined council and with units outside it.

III. The Duties of the State and Cooperative Combined Agroindustrial Council

Article 13. In order to attain the purpose for which it was formed, the state and cooperative combined agroindustrial council has the following duties, for the fulfillment of which it bears the entire responsibility:

- a) Together with the managements of the component state and cooperative agricultural units and with the specialized county bodies, it provides for the proper management and use, in accordance with the law, of all areas of land, the continual growth of soil fertility, the application of the programs for execution and exploitation of the land-improvement facilities, and the systematization and organization of the territory; it sees that the vegetable production activity of the component units is done in a unitary fashion, on the basis of the program established by means of the layout for agricultural organization and exploitation;
- b) It takes steps to rationally zone the crops and to organize, over the whole territory, the component units and the crop rotations, with the land grouped according to fields, regardless of the holders, so as to secure rational use of the whole production potential of the land, uniform application of the technologies, and utilization of the same consumption rates for fertilizer, pesticide and other supplies;
- c) It acts to achieve combined sectors in the field of fruitgrowing, vinegrowing, vegetable growing, and improvement and exploitation of natural pastures and meadows. Within the respective sectors, the agricultural units retain their right of ownership or of direct administration, as the case may be;
- d) It provides for the sensible distribution of animal husbandry according to species and categories within the component units; together with the managements of these units, it takes steps to achieve the planned animal populations and output; it is responsible for the growth of the fodder production and for

the development of the fodder resources in the units in its composition, meeting completely from its own production the fodder need for their animal populations and fulfilling the obligations that devolve upon it regarding the state supply;

e) It pursues and is responsible for the fulfillment of the targets for delivery of products to the state supply and for the collection, by the units, of the sums due, in accordance with the quality of the products;

f) With the help of the county agricultural bodies and the agricultural research units, it sets the standards for doing the agricultural work according to fields and crops, within the limits provided by law; it oversees and secures the application of the standards for each particular field and crop and, together with the managements of the agricultural units, is responsible for the precise execution of the prescribed production technologies and of the technical standards for the doing of agricultural work and the transportation and storage of the entire main and secondary agricultural production; together with the research units in the zone and the managements of the agricultural units, it establishes for each component unit the varieties and hybrids of cereals and technical plants for the crop rotation and for each particular field, in accordance with the law;

g) It assists the managements of the component agricultural units, with regard to strengthening the order and discipline and increasing the responsibility in labor, in mobilizing the cooperators and other working people in the component units to do the agricultural work in the prescribed places and in the optimum periods of time, in accordance with the work program, and takes steps so that all management and administrative personnel in the agricultural units participate directly in doing the work in the peak periods of the agricultural campaigns;

h) It is responsible for the organization and achievement of the actions of cooperation and association for increasing the output and the economic efficiency; it designates the units that take charge of the land included in the actions of cooperation in vegetable production, with a view to doing all the work and obtaining the planned outputs;

i) It sees that the agricultural mechanization station concludes economic contracts with the agricultural units, for providing and rationally using the mechanical means in the mechanized performance of agricultural work, in conformity with the technological standards for achieving the planned outputs; it takes steps regarding the doing of all work in the optimum periods and with good quality; it analyzes periodically the way in which the contracts are fulfilled and takes steps regarding the making of the payment for the work to the agricultural mechanization station, in accordance with the law;

j) Together with the agricultural mechanization station and the managements of the units, it sets the size of the mechanization formations, in accordance with the volume and structure of the mechanized agricultural work stipulated in the technologies; it takes steps to organize in a unitary manner the activity of exploiting the irrigation facilities; it establishes, together with the

agricultural mechanization station and the component agricultural units, the work program according to campaigns and pursues the following of it;

k) It pursues the fulfillment of the supply plan for equipment, insecticide and fungicide, fertilizer and other materials; with the consent of the component units, it organizes the redistribution of the spare raw materials, supplies and equipment among the units, under the conditions of the law, in order to eliminate tieups and excess stocks; together with the managements of the component units, it organizes the mutual aid in seed, planting stock, fertilizer, other means of production, and manpower;

l) It takes steps to organize within the component units the activity of industrialization and semi-industrialization of agricultural products, of milling and breadmaking, of fodder processing and other activities of processing and utilization of agricultural products, through the creation, in accordance with the legal standards, of production capacities dimensioned according to the consumption needs in the zone;

m) It takes efficient steps regarding the development of small-scale industry, construction and services, in close correlation with the units in the cooperative system for production, purchases and commodity sales and other industrial units in the council's range, for satisfying both the units' own needs and the population's needs;

n) It takes steps regarding the fulfillment, on the stipulated dates, of the investment plan of the component units, secures the proper reception of the investment facilities and pursues the operation of them at the projected parameters;

o) It guides and oversees the application of the standards for organization of production and labor and for remuneration in the component units; it assists in the activity of organizing the production subunits and, within them, the crews that are to do the work under the overall contract system, under the conditions provided by law;

p) It guides and oversees the correct keeping of the books and acts to simplify it and reduce the administrative personnel;

r) It analyzes periodically, with the help of the general directorate for agriculture and the food industry, the county union of agricultural production cooperatives and the branch of the Bank for Agriculture and the Food Industry, the stage of the fulfillment of the development programs, the production plans and the income and expense budgets of the component units and establishes corresponding measures;

s) It guides and assists the collective leadership bodies of the component units in the development and strengthening of democracy, the continual improvement of the means and forms of active participation by the cooperators and other working people in discussing and adopting the decisions on the activity of the agricultural units, and the preparation for and holding of the general assemblies;

- §) It assists the managements of the agricultural units in organizing the mass agricultural and zootechnical instruction and in assigning the personnel and using them in production, in accordance with each one's training, capacity and experience;
- t) It promotes the development of exchanges of experience and the generalization of advanced methods in the organization of production and labor and organizes within the component units demonstration lots and model units, farms and brigades in vegetable production and animal husbandry; it concerns itself with introducing into production the results of scientific research and the advanced experience;
- ‡) It guides the activity of organizing the socialist competition among the component units for fulfilling and overfulfilling the production plans and the income and expense budgets of the units; it participates in the socialist competition organized among the combined councils;
- u) It guides, analyzes and oversees in the agricultural units in its composition the manner of resolution of the political, economic, social, cultural and labor problems of the cooperators and other working people; it pursues the formation and utilization of the social funds in accordance with the legal regulations;
- v) It grants to the population's farms in its range of activity technical assistance and help in providing seed and planting stock from selected varieties, chemical fertilizer and breeding stock for obtaining as high outputs as possible of vegetables, potatoes and fruit on the land that they possess and for raising cattle, hogs, sheep and poultry, animals for fur, silkworms and bees;
- x) Together with the agricultural production cooperatives, it takes steps to concentrate the field land allocated as lots for personal use into specially setup fields, in the vicinity of the villages, providing, for payment, the mechanized performance of the main agricultural work by the agricultural mechanization station; it performs any other duties connected with continually improving the activity of the agricultural units within the council.

IV. The Leadership Bodies of the State and Cooperative Combined Agroindustrial Council

Article 14. The bodies through which the collective leadership of the state and cooperative combined agroindustrial council is exercised are: the general assembly, the management council and the executive bureau.

The general assembly of the state and cooperative combined agroindustrial council is formed of:

- a) The members of the management councils and the working people's councils in the component units;
- b) The personnel with permanent activity on the council;

c) Representatives of other state units and ones in the cooperative system for production, purchases and commodity sales, participating in the economic activities of cooperation and association;

d) The chairmen of the executive bureaus of the communal and city people's councils in the range of the combined agroindustrial council.

Article 15. The chairman of the state and cooperative combined agroindustrial council and its management council is a party and state activist, and the first vice chairman, one of the directors or chairmen of the component units.

Article 16. The general assembly of the combined agroindustrial council has the following duties:

a) It approves the number of members of the management council and the executive bureau, within the limits set by the present statute;

b) It elects from its members, by a show of hands, for a period of 2 years, the management council and appoints the first vice chairman of the council as chairman of the executive bureau;

c) It decides, in compliance with the principles of socialist democracy and of the autonomy of the units within the council, on the main organizational, economic and social problems that concern the activity of the component units;

d) It approves the combined agroindustrial council's production plan, income and expense budget and program of measures;

e) It analyzes the statements and reports of the management council and establishes measures for improving the activity of the component units, with a view to the fulfillment of the plan indicators and their economic and financial consolidation;

f) It approves the documentation regarding the cooperation and the formation of the intercooperative economic associations and of the associations that are achieved with state units or ones in the cooperative system for production, purchases and commodity sales and supports and pursues the performance of the activity of cooperation and association.

Article 17. The decisions of the general assembly of the combined agroindustrial council that commit the holdings of the component units are applied only after their approval by their collective leadership bodies, in accordance with the jurisdiction established by law or statute.

The state and cooperative combined agroindustrial council can also submit in advance for approval to the collective leadership bodies of the component units the actions on which it is going to make decisions.

Article 18. The general assembly of the combined agroindustrial council meets semiannually and whenever necessary; it can be convened by the council's chairman on his own initiative or at the request of the management council or of one-third of the number of component units.

The general assembly of the combined agroindustrial council is legally constituted if two-thirds of the number of members are present, and the decisions are adopted by a majority vote of the total number of members present at the assembly.

The members of the general assembly of the combined agroindustrial council are responsible to it for the implementation, within the units that they represent, of the decisions adopted.

Article 19. The management of the activity of the combined agroindustrial council--between the general assemblies--is provided by the management council, composed of 31-43 members.

The following belong to the management council:

- a) The chairman, the chief engineer, the chief economist and the zootechnical expert of the combined agroindustrial council;
- b) The director, the chief engineer and the chief accountant of the agricultural mechanization station;
- c) The chairmen, the chief engineers and the chief accountants of the agricultural production cooperatives;
- d) The directors, the chief engineers and the chief accountants of the state agricultural units;
- e) The chiefs and the economic managers of the farms of the enterprises with headquarters in the range of other councils;
- f) The directors and the chief accountants of the intercooperative economic associations and of the associations between the agricultural cooperatives and state units or ones in the cooperative system for production, purchases and commodity sales;
- g) The director of the institute, central station or station for agricultural research and production;
- h) The head of the veterinary health district;
- i) The chairmen of the executive bureaus of the communal and city people's councils in the council's range;
- j) Top cooperators and workers in the production sectors of the agricultural units who belong to their management councils.

Article 20. The management council has the following duties:

- a) It is responsible for the organization and performance of the entire organizational, political and sociocultural activity for fulfilling the production plans and the income and expense budgets of the component units and meeting the

obligations assumed by them by means of the contracts for delivery of products to the state supply and the other economic contracts concluded;

- b) It prepares proposals for programs regarding the development and modernization of agriculture within the framework of the council;
- c) It discusses the reports of the executive bureau and approves and orders the necessary measures;
- d) It oversees the manner of fulfillment of the plan indicators relating to the state and cooperative units in its range of activity;
- e) It performs any other duties in accordance with the present statute or whose necessity results from the activity of the combined agroindustrial council.

Article 21. The management council meets quarterly and whenever necessary, it being convened by the chairman of the council on his own initiative or at the request of one-third of its members or at the request of the county union of agricultural production cooperatives and the general directorate for agriculture and the food industry.

The management council can work validly in the presence of at least two-thirds of the number of its members and adopts decisions by a majority vote of those present.

Article 22. The management council and each particular member are responsible for their activity to the general assembly of the state and cooperative combined agroindustrial council.

Article 23. The executive bureau has 13-17 members and is composed of: the director of the agricultural mechanization station, the chairmen of the agricultural production cooperatives, the directors of the state agricultural units, the director of the institute, central station or station for research, the directors of the intercooperative economic associations and of those between the agricultural cooperatives and state units or ones in the cooperative system for production, purchases and commodity sales, the chiefs of the farms of the state agricultural units, in the situation in which the unit has its headquarters on another council's territory, the chief engineer, the chief economist and the zootechnical expert within the combined council, the head of the veterinary health district, and other management personnel in the component units, appointed by the management council.

The chairman of the executive bureau is the first vice chairman of the state and cooperative combined agroindustrial council; he is appointed by the general assembly of the combined council from the directors or chairmen of the component units, with the agreement of the Ministry of Agriculture and the Food Industry, the National Union of Agricultural Production Cooperatives and the county people's council.

The chairman of the state and cooperative combined agroindustrial council also participates in the sessions of the executive bureau.

Article 24. The executive bureau solves the current problems of the activity of the combined council and organizes the implementation of the decisions and recommendations of the general assembly and the management council.

The executive bureau presents to the management council reports on the activity performed and proposals for measures for fulfilling the plan indicators.

Article 25. The executive bureau meets monthly and whenever necessary, it being convened by the chairman of the bureau.

The executive bureau adopts decisions by a majority vote of the number of its members.

Article 26. The chairman of the state and cooperative combined agroindustrial council is responsible to the county party committee for the entire activity that is performed in the council's range, for the agricultural and industrial production, for the administration of the localities, for the providing of the territorial self-supply, for the political and cultural activity and for the party work.

For the fulfillment of the output, the full and efficient use of the land, all material and financial means and the work force, the application of modern technologies, the proper use of the specialists, the complete fulfillment of the provisions concerning the delivery of agricultural and food products to the state supply and the achievement of the purchases of vegetable and animal products from the population's farms, the chairman of the council is responsible to the county party committee, the executive committee of the county people's council and the general directorate for agriculture and the food industry.

The chairman of the combined agroindustrial council secures the performance of all duties of the council in strict compliance with the legal provisions and the statutory provisions.

Article 27. The first vice chairman of the state and cooperative combined agroindustrial council--the chairman of the executive bureau--coordinates the current activity of the combined council and is responsible for the doing of all agricultural work on time and with quality and the obtaining of the planned output, for the rational utilization of the mechanical and technical means, for the transportation activity, for the execution and efficient use of the land-improvement facilities, for the doing of the earthwork with heavy equipment and for the investment activity. In addition, together with the other members of the council and the managements of the component units, he is responsible for the application of the measures for reducing the consumption of supplies and fuel. Together with the chairman of the council and the other members of the council, he is responsible for the proper use of the specialists and secures the proper functioning of the activity of the executive bureau of the management council of the state and cooperative combined agroindustrial council.

Article 28. The executive bureau and each particular member are responsible for their activity to the management council, the general assembly of the state and cooperative combined agroindustrial council and the general directorate for agriculture and the food industry.

Article 29. The chief engineer, the chief economist, the zootechnical expert, the planner (technician), the personnel in the animal reproduction and selection centers who perform the artificial-insemination work in the council's range, and the workers with tasks of guidance of the specialized agricultural production in the units for processing of agricultural products, assigned to the council, perform their permanent activity within the state and cooperative combined agroindustrial council.

The chief engineer of the state and cooperative combined agroindustrial council is responsible for the fulfillment of the plan targets for the entire agricultural output in all component agricultural units of the council; he guides, oversees and is responsible for the complete cultivation of the farmland, for the doing of the work on schedule, for the respecting of the placement of the crops according to fields and the application of the prescribed technologies, for the activity of chemicalization and the application of the crop-irrigation program, and for the sensible use of the technical-material base. In addition, he assists the managements of the units in establishing the order and priority of the work and the manner of doing it and in producing and providing high-quality seed; he coordinates the activity of the workers with tasks of guidance of vegetable agricultural production within the units for processing of agricultural products, assigned to the council.

The chief economist is responsible for the fulfillment of the plan targets in the economic and financial field and for the strict observance of the legal provisions on sensible administration of material and monetary funds, under the conditions of providing greater efficiency and financial equilibrium; he secures strict application of the new economic mechanism and takes steps regarding the compliance with the approved consumption rates for supplies and fuel and the standards for making all the component units profitable.

The zootechnical expert of the combined council is responsible for the fulfillment of the plan targets regarding animal populations and products and guides and is responsible for the performance on schedule of the actions and measures regarding the providing of the fodder resources according to assortments and the reproduction and selection of animals and for the following of the technologies of exploitation according to species and categories of animals, in all component units. In addition, he coordinates the activity of the workers with tasks of guidance of animal production in the units for processing of animal products, assigned to the council.

The planner (technician) is responsible for the prompt securing of the fulfillment of the plan indicators in the component units of the council; his activity is coordinated directly by the chief engineer of the council.

All specialists who work in the production units within the combined council are subordinate to it.

As representatives of the state, the specialists who work in the state or cooperative units are directly responsible for fulfilling the production and economic tasks that devolve upon them.

Article 30. In relations with state units, cooperative and public organizations and physical persons, the combined agroindustrial council is represented by the chairman, who, together with the chief economist, commits the combined agroindustrial council within the limits set by the general assembly.

V. Other Provisions

Article 31. The state and cooperative combined agroindustrial council secures the payment of the pay rights due the specialists and other personnel and of the allowances that are given to the cooperators who hold the positions of chairman, vice chairman gotten from production, and farm and brigade chiefs in the agricultural production cooperatives, under the conditions provided by law.

The financial activity of the combined council is performed through the functional apparatus of the agricultural mechanization station.

Article 32. The state and cooperative combined agroindustrial council has the same headquarters as the agricultural mechanization station or as another unit in its composition.

Article 33. The combined agroindustrial council is guided, in the entire organizational and political work performed in order to fulfill the plan targets, by the county party committee.

The county people's council, through the general directorate for agriculture and the food industry, in collaboration with the county union of agricultural production cooperatives and the branch of the Bank for Agriculture and the Food Industry, provides guidance of the activity of the combined agroindustrial council, with a view to the performance of the tasks set by law and by the present statute.

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ECONOMIC CRISIS DISCUSSED BY MUNICH JOURNAL

Munich SUEDESTEUROPA in German May 83 pp 244-253

[Article by Dionisie Ghermani: "Romania's Crisis"]

[Text] Notwithstanding the low level which has been reached in almost all sectors, the Romanian Communist Party leadership is trying with all the means at its command to give the impression both abroad and at home that it is in control of the situation and is keeping the economy on a successful course. It lays the blame for the setbacks in almost all sectors on extraneous influences. It refuses to accept any culpability on its own part for these undesirable trends. Functionaries of the second rank are held responsible for a number of mistakes which cannot be covered up. The belatedly initiated attempts to stimulate the economy are failing for the most part because of the dogmatism on the part of Bucharest inherent in the system, which suspiciously rejects even the most modest steps toward genuine reforms. The chances of finding its way out of this impasse are less than ever before, because of the isolation in which the regime has placed itself.

Because of its despotic interpretation of human and minority rights, Romania can find almost no more support at present among the states of the Western hemisphere. The United States is accusing Romania of pursuing an oppressive minority policy and of virtually cutting off, through new laws and regulations, the emigration of those persons who desire to leave. The FRG is concerned about the fate of Romanian Germans who would like to go and live with their relatives in the West. And France charges the Romanian regime with having assigned to an agent of its security apparatus the task of murdering two political emigrants in 1982. It is for this reason that President Francois Mitterrand had cancelled at short notice an arranged state visit to Bucharest at that time.¹ In turn, the Soviet Union and Romania's other "fraternal states" are showing little inclination to lend a helping hand to a Romania which is as refractory as ever. Repeated efforts by Romanian delegations at CEMA annual meetings in Prague (1980), Sofia (1981), and Budapest (1982) to push forward the "socialist division of labor" and "economic cooperation" in accordance with the interests of Bucharest have evidently failed.²

Undoubtedly Moscow is taking its time in solving the "Romanian problem," probably thinking that the (all but) prodigal son will have no other way

out of the present impasse in the intermediate term than a repentant return to the bosom of the socialist community of states. However, Ceausescu is still showing little willingness to make concessions on questions of "national sovereignty" and equal rights for all communist parties. Since the autumn of 1982 he has not missed hardly any opportunity to stress the claim of Romania and the Romanian Communist Party to complete self-determination and to reject with the utmost clarity every "foreign interference in the internal affairs of Romania"---just as in the days of maximum tension between Bucharest and Moscow.³

Number Games

Considering the catastrophic supply crisis domestically and the enormous debts to Western countries, which reveal that an adequate support from the outside is illusory at present, and in view of the low standard of living of the Romanian population, which is showing increasing signs of dissatisfaction and unrest, it is not surprising that Bucharest is trying once more to placate public opinion in the country with statistical number games and optimistic predictions for the future. However the ability of these methods, borrowed from the classical arsenal of political propaganda, to be convincing is even less than in former times, in view of the increasing discrepancy between superficial promises on the one hand and the painful reality of supply bottlenecks on the other. Moreover it seems paradoxical that the obligatory announcements of success by the party leadership are always accompanied by the statement that all the ministries for special fields and branches have fallen behind the stipulated planning goals.

More than in other communist countries, statistics are used here for the embellishment of reality and for optimistic predictions. But in recent times this tendency has grown. The long-awaited Statistical Yearbook of Romania for 1981 constitutes an eloquent example of that. This yearbook did not appear until early in 1983, a good 6 months later than normal, and it ended up being less than half as large as the previous yearbook for 1980.⁴ Moreover, it gives an unclear picture of the existing economic situation, with the obvious intention being to obscure the reality.

The stagnation of the Romanian economy in 1981 can be seen clearly by means of the following table:⁵

Growth compared to 1955

	<u>1980</u>	<u>1981</u>
Investments	33-fold	31-fold
Gross product	15-fold	15-fold
National income	15-fold	15-fold
Industrial production	33-fold	34-fold
Foreign trade	40-fold	41-fold
Agricultural production	349 percent	346 percent

In plant construction and assembly identical growth rates are given for 1980 and 1981 (in each case, an 18-fold increase compared to 1955); however, another table indicates that in 1981 only 95 percent of the 1980 result was achieved.⁶

Admonitions, Complaints, Criticism

The stagnation of the Romanian economy in 1982 is confirmed also by published communiques and official announcements and by the statements of the party leadership. In his New Year's address on 1 January 1982, which was broadcast by radio and television, party and government leader Nicolae Ceausescu entreated his listeners: "Under the present difficult economic conditions worldwide, we must put to the test the strength and ability of our wonderful people, who in the course of their thousand-year-old history have exhibited superior virtues time and again...and have not shied away from any difficulty."⁷

However, already on 24 January 1982 Ceausescu felt compelled--in his remarks at a "working discussion with the Central Committee" dealing with agricultural questions--to point out to the farmers in collectives and the farm workers "that wherever some animals are not declared, the surplus livestock is regarded as stray and is transferred to national ownership." However, he said, the law also provides "severe penalties" for the declaring of animals who do not exist at all.⁸ What this amounted to was a renewed attempt to register the diminished livestock inventory nationwide in order to hinder as much as possible the illegal slaughter of animals and the sale of meat under the table at exorbitant prices. Because of the attempt made at the beginning of February 1982 to adjust agricultural prices--which until then had been kept low--to a market situation which was characterized by excess demand,⁹ considerable price increases for basic foodstuffs and a further lowering of the general standard of living were brought about.

At the session of the CC [Central Committee] Political Executive Committee of 8 February 1982, the "shortcomings and deficiencies" were deplored "which exist in the activity of the government, the ministries, the central offices, and the economic units."¹⁰ The complaints became more precise at the "General Working Session of the Central Committee and the Supreme Council for Economic and Social Development," whose chairman is Ceausescu. This criticism focused on the poor results in foreign trade.

In his remarks, Ceausescu stated: "If the work had been done with greater sense of responsibility...we would have achieved far better results. Regrettably, because of this shortcoming an output valued at about 25 billion lei¹¹ has not been provided which was destined almost in its entirety for export....This output would have...constituted a surplus of almost \$1 billion in the foreign-trade balance, and in fact in freely convertible currency....Some comrades...have looked to the outside and waited for the questions facing us to be solved through additional imports, instead of setting to work very resolutely to...solve the problems with our own forces."¹²

Disappointed Expectations in 1982 as Well

According to an official announcement, an initial preliminary assessment as to the outputs effected in the first quarter of 1982 demonstrated that "the results are not commensurate with the potential, since in a number of

units both the quantitative and the net production have not been satisfied." The Political CC Executive Committee stated in this connection that in the months of January and February "difficulties in the material-technical supply and in conjunction with meeting our energy needs" had appeared. At the same time it alluded anew to the importance of foreign trade: In view of the present economic crisis, "the fulfillment of the export program" remains "as much as ever...the most important problem of the Romanian economy."¹³

Only a few days later, the CC Political Executive Committee deemed it appropriate once again to stress that the stipulated plan indices are to be understood "as obligatory minimum values" and thus must be exceeded as much as possible. It said that in particular this is "to be heeded in connection with the fulfillment of the investment program." In another context this high-ranking body of party leaders discovered "abuses and dishonesties" in connection with the distribution of proceeds. As was the case in 1981, in the first part of 1982 as well the contingents of leadership cadres have proved to be too large in comparison to those of the workers, it said.¹⁴

In May 1982 the CC Political Executive Committee, in a joint session with the Central Committee, again dished out admonitions and criticism directed at the various economic agencies. The Central Committee demanded at a "working session" that above all in the investment sector and specifically in connection with construction and assembly work, the "backlogs" should be "caught up on" and the projects now under construction should be put into operation within the period stipulated. For its part, the CC Political Executive Committee diagnosed "shortcomings in connection with the full utilization of the industrial machinery, equipment, and installations," leading to the situation "that in the country's overall industry in the first trimester of 1982 the planned utilization index...has not been satisfied." Major abuses of authority and improprieties were discovered in the foreign-trade sector.¹⁵

At the expanded CC plenum early in June 1982, Ceausescu noted "many non-fulfillments still." In response to American demarches on behalf of the national minorities of Romania, the party and state leader spoke defiant words: "The problems of the Romanian socialist society (will) now and in the future be solved only by the communists, by the Romanian State, and by the Romanian people, and we will allow nobody to interfere in the internal affairs of our country." On the same occasion Ceausescu candidly admitted: "In foreign trade the money of the State has been misappropriated and stolen; it has been stolen, but also there has been mismanagement of funds....The government did not carry out its task. Therefore we had to replace it."¹⁶ However, complaints of this and a similar nature did not end with this change in government.

Towards the end of June 1982 the CC Political Executive Committee drew a bead in particular on a real or alleged wasting of energy. It declared that "at present an excessive heat-energy consumption is being noted" and gave instructions to the ministries, central offices, and so forth to

initiate economy measures. In the sector of fuels as well the prices were "adjusted to the market conditions," which means that they were sharply raised for private consumers. The aim was "a lowering of the energy consumption by 20 percent per family."¹⁷ The consequence was that large portions of the population suffered from bitter cold in the winter of 1982/1983.

At the beginning of July the CC Political Executive Committee bluntly demanded of the government that it carry out at long last the designated investment plan. Also the export plan was to be carried out with all the means at its command. Here the talk was again of "backlogs" from the first half of the year which were to be made good as soon as possible. Also a raising of petroleum production and an increase in gas production and coal mining were demanded. As has happened so often in the relatively recent past, on this occasion as well the utopian-sounding goal was announced of reaching by 1990 "complete independence with respect to energy and fuels."¹⁸

In August 1982 the CC Political Executive Committee, meeting in a routine session, attributed the increase in inventories with respect to raw and industrial materials at the end of the first 6 months of 1982 to the "nonfulfillment of the investment plan and production plan in a number of industrial branches." The CC Political Executive Committee resolved in October to meet the bulk of Romania's needs in 1983 for raw materials and sources of energy from "its own resources." Moreover, in the future a "more competitive stockpile of goods is to be laid in for exports" and an "equalized balance of trade" is to be the aim.¹⁹

On 8 October 1982 the CC Political Executive Committee ordered the removal from office of a number of top functionaries from the foreign trade ministry, including also the foreign trade minister for many years, Cornel Burtica, because of "grave offenses in foreign-trade activity, which has gravely harmed the national economy." On this occasion Ceausescu tried to vigorously justify his forced industrialization policy. He said: "Many persons, even quite a few friends, have advised us that we should not concern ourselves overmuch with industrialization, but rather we should continue to be an agricultural country. Some have doubted the ability of our working class, our intellectuals, our people, to successfully provide themselves with an industry at a high technical level. Now the facts are proving...the correctness of the policy of our party." Today, Romania is --according to Ceausescu--"one of the countries with a modern, developed, competitive industry."²⁰ However, Ceausescu did not venture a comparison with the neighboring socialist countries of Hungary and Bulgaria, whose starting situation was far worse than that of Romania, for want of their own raw-material and energy reserves, although this did not prevent them from raising the standard of living of their populations to a considerable extent.

Poor Prospects for 1983

In the autumn of 1982, at a "working discussion" with the Central Committee, Ceausescu drew up a provisional, bitter-sounding balance sheet on the results

of the current year. Scarcely any production or service branch escaped his harsh criticism. With a glance at the much too extensive imports, which exceeded again the designated limits, Ceausescu accused "certain ministries and central offices..." of "irresponsibility": "It must be said that the tendency prevails among the ministries and central offices of letting the problems grow, in order thereby to justify the nonfulfillment of the plan."

The quality of the goods produced in Romania has worried Ceausescu again and again in recent years, despite repeated reports of success regarding these, and this was true also in the autumn of 1982: "No machine and no equipment which does not work may leave the factory. It is quite out of the question to search here for justifications, instead of dealing with the lack of discipline and the disorder within the leadership of certain enterprises or in connection with the production work." Ceausescu also deplored the idle capacities existing within the areas of jurisdiction of the two ministries concerned with machine-building, because of which the planned capital projects could be completed only on a delayed basis. In connection with the "recovery and reuse of materials" (recycling), Ceausescu demanded "more determination" from the responsible agencies.²¹

At the end of 1982 the party leadership also gave thought to the poor supply situation for broad sections of the population. The CC Political Executive Committee "criticized the existing deficiencies and called on the government, the individual ministries, the people's councils, the enterprises, and the cooperatives" to take "concrete measures for the purpose of guaranteeing services to the population." However, the same organs of the State and the economy were at the same time called on to apply "strict economizing criteria." It said that in 1983 attempts must be made to meet all the planning goals and to make up for the failings of recent years.²²

At the national conference of the party in December 1982, Ceausescu called for a "change-over to the intensive development of the national economy" for the purpose of "producing a new balance and the harmonious development of all areas of activity" through the "elimination of the discrepancies and malfunctions which have arisen." Ceausescu affirmed: "We are not thinking of further slowing down the tempo of our programs or of seeking out a shelter until the storm is past. We are resolved to take all measures needed to increase the pace of development even under the present difficult conditions, and even if we cannot realize the high goals stipulated in the 5-year plan. We will espouse a stronger development than in the last 2 years (of the current 5-year plan period, 1981-1985--D. G. [author's initials])."

A drastic curbing of imports forced on it by the World Bank and the International Monetary Fund helped Romania to arrive at a positive balance of trade in 1981 and 1982. According to Ceausescu, in 1981 Romania achieved a surplus of \$300 million, and in 1982 no less than \$1,800 million, although at the expense of the urgently needed reforming of the economy and structural change, things which are dependent on imports of raw materials, sources of energy, machinery, and modern technology. Ceausescu's statement that net industrial production grew by a total of 7 percent in the years

1981 and 1982 and the output of goods grew by 5 percent²³ confirms the contention that the growth rates at the beginning of the 1980's have dropped quite considerably compared to the average annual values in the 1970's (13.2 percent).²⁴

Organizational Experiments

More so than the directing organs of all other communist parties, the Romanian Communist Party leadership has faith that the deficiencies can be rectified through organizational reforms. Ever since the appointment of Nicolae Ceausescu as general secretary of the party in the summer of 1965, numerous institutions have been newly established or abolished, and numerous organs have been repeatedly "reformed." At the end of 1982 there was even a "restructuring" of the Supreme Council for Economic and Social Development of Romania, which is extremely important in shaping and controlling the economic process; this is a so-called mixed party and state organ, which has been under the chairmanship of Ceausescu ever since its establishment in May 1973. This body, which is superordinate to the government on questions of the economy, has multiplied the number of jurisdictional overlaps. It arose, as all the other mixed party and state organs established in the last decade, from Ceausescu's desire to have a better control over activity in the various sectors.

The jurisdictions of the Supreme Council do not seem to have changed following its "restructuring," although it was officially announced: "In its new conception, which was defined very clearly by Comrade Ceausescu, the Supreme Council for Economic and Social Development is an entity which ensures through its activity that the party's policy in the socioeconomic sector will be carried out. At the same time, the Supreme Council fulfills the function of the legislative chamber of the party and State, with it having the powers of an economic department." In view of this definition, the question arises of what jurisdictions still remain to the government and the ministries concerned with specific fields. There is no talk about any responsibility on the part of the Supreme Council toward the party, perhaps because the chairman of the Supreme Council, Nicolae Ceausescu, is at the same time the party leader.

Only the composition of the new council leadership perhaps throws light on what objective was aimed at through this reform. The post of first deputy chairman went to Constantin Dascalescu, who had been appointed premier in place of Ilie Verdet just in the summer of 1982, and who at present evidently enjoys the full confidence of Ceausescu. But the most important "man" in the new governing body is likely to be Ceausescu's wife Elena, who moreover belongs to the CC Political Executive Committee and to its Permanent Office as a full member, who is a first deputy premier, and who in addition holds the office of chairman of the National Council for Science and Technology. Only her husband has an even larger accumulation of leadership offices than she. Thus the Ceausescu family has extended its power by yet another top position.

The deputy chairmen of the new body are:

- Stefan Voitec, Member of the CC Political Executive Committee and deputy chairman of the Council of State;
- Emil Bobu, member of the CC Executive Committee and CC Secretary;
- Ion Dinca, member of the CC Political Executive Committee and first deputy premier;
- Manea Manescu, former premier and presently deputy chairman of the Council of State, and
- Ioan Totu, deputy premier and since January 1983 standing representative for Romania at CEMA.

The Supreme Council is composed of the following sections:

- Raw-material, fuel, and energy base (leader: Ilie Verdet);
- Metallurgical industry and machine building (leader: Gheorghe Oprea, member of the CC Political Executive Committee and first deputy premier);
- Chemical industry (leader: Ion M. Nicolae, deputy premier);
- Industrial structures, construction materials, and wood processing (leader: Ludovic Fasekas, member of the CC Political Executive Committee and deputy premier);
- Transport and communications (leader: Gheorghe Petrescu, brother of Mrs Elena Ceausescu and deputy premier);
- Foreign trade and international cooperation (leader: Miu Dobrescu, deputy member of the CC Executive Committee and CC secretary);
- Consumer goods and standard of living (leader: Iosif Banc, member of the CC Executive Committee and CC secretary);
- Finance (leader: Ioan Totu);
- Planning and forecasting (leader: Manea Manescu).

Ceausescu's adviser, Ionel Cetateanu, was appointed secretary of the Supreme Council. It is noteworthy that no less than three CC secretaries were appointed section leaders. The other members of the governing body or section leaders also belong to the elite of the party and governmental apparatus.

More than a little confusion of jurisdictions is likely to be produced by the provision that the other mixed party and state organs, the National Council for Agriculture, Food Industry, and Forest and Water Management,

the National Council for Science and Technology, the Council for Socialist Culture and Education, the Supreme Council on Health, the Council on Economic and Social Organization, and the Committee for Problems of People's Councils also "must take note of the powers of the Supreme Council for Economic and Social Development."²⁵ The fact that in accordance with the principle of identity of membership many members of the Supreme Council hold at the same time high positions in other top bodies makes the matter completely confused. Many of them are likely to find it difficult to perform the duties of all their offices in an evenly responsible manner. This extremely complicated institutional structure, which makes it tremendously difficult to describe the individual competences in a precise way, is scarcely likely to speed up the announced rehabilitation of the severely shaken economy.

FOOTNOTES

1. See D. Ghermani: "Romanian-American Relations in the Era of Ceausescu," in SUEDESTEUROPA 31, September 1982, pp 459-473.
2. Same author: "Romania's Relation to the CEMA (Documentation)", loc. cit., 31, July/August 1982, pp 433-435, as well as: "The Bessarabian Question. New Dispute Between Bucharest and Moscow?", loc. cit., 32, March/April 1982, pp 212-219.
3. A report broadcast by Radio Moscow on 13 February 1983 which dealt with the current preparations for the next CEMA summit meeting disclosed that Ceausescu defended the old viewpoint in his talk at the annual conference of chairmen of the people's councils: He said that although CEMA should do away with the prevailing conflicts between various member states and should promote a division of labor within the bloc, at the same time and in particular it should ensure the economic and social development of each individual country by means of suitable measures (SCINTEIA, 20 February 1983). At a CEMA preparatory meeting which was conducted in Moscow on 8 to 9 February 1983, Romania's representatives were the former premier Ilie Verdet, a member of the CC Political Executive Committee who has sought to promote the interests of his country also at the CEMA Conferences of Prague and Sofia; the recently named ambassador from Romania to Moscow, Miu Dobrescu; and the deputy premier Ioan Totu (SCINTEIA, 10 February 1983). Indicative of the difficult position of Romania within the community of CEMA states is the fact that within less than 2 years it has replaced its standing CEMA representative twice. Before Totu, this office had been held by the present foreign trade minister Nicolae Constantin (May 1981-May 1982) and by a brother of Mrs Elena Ceausescu, Gheorghe Petrescu (June 1982-January 1983).
4. The Statistical Yearbook for the Year 1980 still numbered 735 pages, but the one for 1981 had a mere 365 pages--without there being a pertinent justification for this.
5. "Anuarul Statistic al Republicii Socialiste Romania," 1982, p 42.

6. Loc. cit., p 43.
7. SCINTEIA, 3 January 1982.
8. SCINTEIA, 26 January 1982.
9. Dumitru Petrescu, first deputy minister for domestic trade: "Adjustment of Prices According to Economic Principles," in: NEUER WEG of 4 February 1982. In the preamble to the decree "concerning the raising and improvement of their adjustment according to economic principles of unit prices for agricultural consumer goods," the price increases for basic foodstuffs are justified, among other ways, as follows: "The increases in the retail prices...are being made under conditions which will ensure a corresponding monetary trade-off through increases in the earnings, the children's allowances, and the social insurance pensions of the country's population." NEUER WEG of 16 February 1982.
10. SCINTEIA, 9 February 1982.
11. The total volume of Romania's exports, according to the "Anuarul Statistic al Republicii Socialiste Romania 1982" (p 256), amounted to 167.7 billion lei in 1981. Imports came to 164.7 billion lei.
12. SCINTEIA, 10 February 1982.
13. SCINTEIA, 10 April 1982.
14. SCINTEIA, 28 April 1982.
15. NEUER WEG, 18 May 1982; see in this connection also D. Ghermani: "Changing of the Guard in the Romanian Leadership Apparatus," in SUEDESTEUROPA 32, June 1982, pp 345-353, as well as the same author: "Criticism and Praise for the Romanian Foreign Trade Organs," in: loc. cit., 32, October 1982, pp 581-586.
16. SCINTEIA, 3 June 1982.
17. SCINTEIA, 23 June 1982.
18. SCINTEIA, 6 July 1982.
19. SCINTEIA, 6 October 1982.
20. SCINTEIA, 9 October 1982.
21. SCINTEIA, 23 October 1982.
22. SCINTEIA, 7 October 1982.
23. SCINTEIA, 17 December 1982.
24. "Anuarul Statistic al Republicii Socialiste Romania 1982," p 98.
25. SCINTEIA, 8 December 1982.

FAILURE TO DELIVER SUPPLIES TO ENERGY CONSTRUCTION SITES DEPLORED

Bucharest ROMANIA LIBERA in Romanian 20 May 83 pp 1, 5

[Article by M. Radian: "The Priority of Energy Construction Sites"]

[Excerpts] Is it still necessary to plead for priority treatment for the solution of all problems arising in the energy construction projects in the country? There are some situations which require that we do so, situations which make us believe that some people have forgotten too soon the difficulties caused by energy shortages during the winter and are too little concerned with preventing a repetition of these shortages. Let us say from the very beginning that during the next 6 or 7 months, the problem of providing a technical-material base for the production of energy and of raising it to the highest possible level represents a matter of greatest interest which should be given absolute priority by all citizens, no matter where they carry out their activity. An absolute priority for the builders of new thermoelectric and hydroelectric power plants, an absolute priority for opening new coal mines and pits, an absolute priority for the development of the production of crude oil and gas.

The successes registered in the energy projects should eclipse the difficulties experienced by many of them. For example, at the large construction site of the Iron Gates II hydroelectric power plant we meet some situations which make us think that some people forget that this is the largest hydrotechnical construction site in the country and that each day of delay in putting this plant into operation amounts to a loss of 12 million kilowatt hours.

The stake is very high and the situation seems to be understood by the builders and installers at the site who have proposed to enclose the Danube this year and to put the first two groups of energy generators into operation. They should be supported by more regular supplies, on schedule, of the necessary materials--cement, reinforced concrete, diesel oil and equipment. However, the project managers tell us that there are sometimes irregularities in the deliveries of these materials which jeopardize the efforts of the builders.

Comrade Petre Stan, director of the Directorate for Investments and Construction in the Ministry of Electric Energy, told us: "We have situations in which we must slow down or even stop work on platform constructions or even in mixing cement because of lack of materials, especially, of diesel oil. The bad part is that we cannot make up for these stoppages and we are behind schedule in the execution of earth work and important embankment work."

The chief dispatcher in the Ministry of Electric Energy, Comrade N. Calota, added: "We are only asking our suppliers to deliver the allotted quantities, nothing more. We ask the comrades in the PECO [Central for the Sale of Petroleum Products] to supply us with our quota of diesel oil, without interruption so that we will not have to keep important means of transportation inactive and delay work."

We found the same situation in other construction sites such as the thermo-electric power plant on bituminous shale in Anina and we do not understand why some comrades from PECO or from some refinery should be "entreated" to ensure the regular supplying of diesel oil to the energy construction sites. Are they not interested in supplying the energy needed by the country?

Another deficiency found in all the energy construction sites, one which creates great difficulties in the normal execution of work, is the late delivery of equipment by units of the Ministry of the Machinebuilding Industry, or the failure to deliver equipment in the sequence ordered by the consumer, which is the same as non-delivery since the equipment can be installed only in natural order. We do not want to be unfair. In many units of this type, including those which will be cited later, a great effort has been made to restructure production, to assimilate and deliver the equipment ordered. However, the many lags and reschedulings prove that efforts must be developed to eliminate the delays in the delivery of equipment. It should be understood everywhere that because of repeated rescheduling of deliveries it cannot be ensured that the plants will be put into operation in accordance with the schedules established by the plans.

Builders on the Ostrov Mare project, for example, tell us that they are greatly affected by delays in the delivery, by the Resita ICM (Constructions and Installations Enterprise), of a total of 1,545 tons of hydraulic drives, rapid valves, plane valves, lifts, grates and other equipment. Much of this equipment should have been delivered last year and even the re-scheduled dates for this year have not been met.

The builders of the Iron Gates II are placing special emphasis on giving priority to supplying paint to protect the equipment from corrosion. They criticize the industrial central involved and, especially, the "Policolor" enterprise for creating difficulties by failing to supply the planned quantities of paint on schedule and they also criticize the quality of some of the paint.

Other energy construction sectors justifiably demand priority treatment as regards the delivery of equipment for boilers, drives for coal mills, supplementary equipment for pump turbines, motors, auxiliary installations, etc.

We hope that this article will reach the proper people and, especially, that it will produce a beneficial reaction which will result in the assigning of a real and continuing priority to the needs of the energy construction sites so that the people concerned will be able to say that they have been actively concerned with obtaining the energy independence of the country.

YUGOSLAVIA

SFRY, FRG OFFICIALS DISCUSS WORKERS' REFORM, BENEFITS

LD062347 Belgrade TANJUG Domestic Service in Serbo-Croatian 1447 GMT 6 Jul 83

[Text] Belgrade, 6 Jul (TANJUG)--The West German Government is ready for concrete cooperation with Yugoslavia in creating the most favorable employment conditions possible in underdeveloped and other areas for those Yugoslavs returning from temporary work in the FRG. However, no foreign workers--including Yugoslav workers--will have to leave the FRG. That is to say that the FRG Government does not intend to pursue a policy directed against its foreign citizens. These are just a few highlights from a press conference today at which statements were made by Norbert Blum, FRG minister of labor and social affairs, and Dr Djordje Jakovljevic, member of the Federal Executive Council and chairman of the Federal Committee for Labor, Health and Social Policy. Norbert Blum, who is paying an official visit to our country, had talks with his ministerial counterpart and host, Dr Djordje Jakovljevic, on many questions concerning the position and rights of Yugoslav citizens who live and work in the FRG.

The FRG minister said that his government is offering additional assistance to those who decide to return to their homeland of their own free will. It is true, however that neither the Yugoslav nor the German side view this as a long-term solution which offers social and, in particular, employment prospects. The law on this assistance remains to be passed through the Bundestag in the autumn. But it is known that returnees will be offered the sum of 10,500 DM plus 500 DM for each child. This assistance would be available (from the adoption of the law to the end of 1984) to workers left jobless by the closure of their enterprise or by bankruptcy and to those who had worked reduced hours for 6 months.

Emphasizing that it would be up to every worker to decide freely whether to accept such assistance or not, the FRG minister stated that those foreign workers who could not accept this assistance because they failed to satisfy all the requirements would not lose even the smallest part of the social protection to which they were entitled. This is not a matter of reduced social protection but of additional assistance, he noted.

It was also stated at the conference that the Yugoslav side does not accept any form of change in the existing agreement according to which the workers

returning from temporary work in the FRG would be entitled to be given back their contributions for pension and disability pension insurance. It was categorically confirmed that the German side would not insist on this either.

Speaking about the status of Yugoslav citizens in the FRG, Norbert Bluem noted that over 67 percent of our workers' children below the age of 6 made use of kindergartens and 64.3 percent of young people between the ages of 15 and 24 had completed their education in FRG schools. One out of two Yugoslav citizens in the FRG is skilled and in this respect they are far ahead of other foreigners in that country, Norbert Bluem noted, appraising this as exceptional potential in the sphere of labor and production.

Asked about the difficulties experienced by Yugoslav physicians in the FRG because their diplomas confer the title of "physician" and not "doctor" to them, the FRG minister said that this was a matter which had to be settled by the FRG's Medical Association and that the government could only express a view on it.

CSO: 2800/378

LINKING RIVER AND MARITIME SHIPPING

Belgrade TRANSPORT in Serbo-Croatian No 3, Mar 83 pp 42-43

[Article by Vojislav Miskovic]

[Text] Where firmer ties between maritime and river transports are concerned, we must begin with the fact that a large portion of the Danube is not regulated, and thus its utilization by ships is limited.

The navigable Danube, with its navigable tributaries and canals, totals 2,199 km in Yugoslavia, divided as follows:

Danube	590 km
The Sava River to Sisak	587 km
The Drava River to Osijek	23 km
The Tisza to the border	204 km
The Begej to the border	132 km; and
The Danube-Tisza-Danube canals	663.4 km

The Danube covers a large part of Yugoslav territory, including Serbia, the northern part of Macedonia, the central and northern parts of Bosnia - Hercegovina and Croatia except for its western regions. It is a fact that river transport is used at such distant ports as Bitolj, Niksic, Obrovec, Jesenice, Titovo Velenje and other places, so that it could be said that combined with other modes of transportation, river transport can cover all of Yugoslavia.

In deciding to use river transport for shipping, the following factors should be considered:

The Danube is regulated from its mouth (the Sula canal) to Braila, a length of 170 km where a channel depth of 24 feet (7.87 m) is guaranteed. This limitation on full use by maritime vessels makes it possible to utilize vessels with 8,000 to 10,000 ton capacity.

The sector from Braila to the Djerdap hydroelectric power plant, from km 170 to km 943 or a distance of 773 km, is unregulated, and possible draught is determined by the daily water level at Durdevo, where the average is 180 cm of water.

The Djerdap sluices (330 m long and 34 m wide) have a guaranteed depth of 4.5 m and a height of 10 m above water line. With prior notice, a depth of 5 m and height of 13.5 m can be provided.

The sector from the Djerdap power plant to Belgrade has essentially no limitations on vessel movement.

These factors must be taken into account in designing combined river-sea shipments or sea-river routes, as well as in direct transport by maritime vessels.

The "Krajina" river shipping concern, the Danube Lloyd of Sisak and Yugoslav River Shipping, the three largest Yugoslav river transporters, have traction capacity of 43,977 KW and 439,592 tons in cargo vessels. Tankers have 145,300 ton capacity, and dry bulk carriers, 294,292 tons.

The shares of individual shippers in these totals follow:

"Krajina" river shipping-	7,644 KW and 65,900 tons, all dry bulk cargo
Danube Lloyd-	16,100 KW and 95,000 tons, of which 48,000 tons are dry bulk cargo and 47,000 tons, tanker capacity
Yugoslav River Shipping-	30,233 KW and 278,692 tons, of which 180,392 are dry bulk cargo and 93,300 tons, tanker capacity

With these capacities, at the moment it is possible to load 439,592 tons of cargo, of which dry cargo would account for 294,292 tons, and liquid cargo, 145,300 tons. Figuring a turn-around time of 15 days, monthly loading totals would be 588,584 tons of dry cargo and 290,600 tons of liquid cargo, or annual shipments of 10,550,208 tons: 7,063,008 tons of dry cargo and 3,487,200 tons of liquids.

By better organization of loading and unloading and elimination of the shippers' own shortcomings, the vessels' work could be increased, thus creating the possibility of shipping even larger amounts of cargo.

The start of operations at the Krk oil pipeline in June 1980 brought a sudden decline in use of shipping capacities for liquid cargo, placing the shippers into an even worse material situation.

There is still dry cargo and there could be even more, for along or close to the shipping lanes, the major Yugoslav producers are found: the Prahovo Chemical Plant, the Bor Mining and Metallurgical Complex, the Smederevo Metallurgical Complex, the Pancevo Chemical Plant, the Pancevo and Novi Sad refineries, the "Zorka" chemical plants and Sabac and Subotica, the Iron Mill and Refinery at Sisak, the Kutina Chemical Plant and many others. Along the navigable system one finds nearly all of Yugoslavia's agricultural regions:

Slavonija, Baranja, Semberija, Srem, Backa, the Banat, Stig and Kljuc. Some of these operations make almost exclusive use of river transport, as does the Prahovo Chemical Plant, while others make little or almost no use of the waterway.

Between 1957 and 1966, the Yugoslav River Shipping vessels "Mlava," "Tamnava" and "Kolubara" sailed all the way to Belgrade under good hydrological conditions. In recent years Jugobrod under favorable hydrological conditions had also sailed to Belgrade with the rented ships "Oste Team" and "Rhône Liner."

Yugoslav River Shipping has transported cables, tobacco and general cargo, while Jugobrod has concentrated mainly on equipment, especially for the Smederevo Metallurgical Complex.

Taking these facts into consideration, it is clear that stronger ties between river and maritime shipping of cargo must be made even stronger.

Alone or in cooperation with others, Yugoslav River Shipping has shipped pyrite from Cypress, iron scrap from Novosibirsk, magnesite from Turkey and equipment from Belgium, Holland, Spain and Japan, anthracite from Zhdanov, phosphate ore from Togo, Tunisia and Jordan, and other cargos, along with equipment from Brcko to Iran and Iraq, from Ibas to Zadar and synthetic fertilizers to Turkey.

The ports of Reni, Galac and Braila are used for transshipping.

The greatest problem preventing increased use of combined river-sea traffic and the reverse is to change the habits of importers and exporters, as well as other users of transport. They accept this form of transport either with difficulty or not at all, even though it can offer savings of as much as 50 percent.

It can, however, be asserted that some labor organizations have accepted river-maritime transport as their exclusive mode of shipping. These include the Prahovo Chemical Plant, which annually ships about 500,000 tons of phosphate ores from Africa and Jordan. Some others rely on this mode of shipping at times, including the Smederevo Metallurgical Complex, the Pancevo Chemical Plant and Refinery, Zorka of Sabac and others.

"Zorka" of Sabac has attempted to shift its shipments of phosphate ores to this mode. A trial shipment of 9,000 tons has been delivered, and "Zorka" representatives indicate their satisfaction with this transport. Unfortunately, after the test they have continued to use their former method for shipping phosphate ores: by sea to Sibenik and then by rail. They are even investing large sums of money to expand the port at Sibenik, even though their dock has limited capacity.

The Soviet Union is engaged in a major port construction project at the mouth of the Danube, at Kiliyskiy Rukavets, where the depth will permit ships of as much as 50,000 tons to call.

In 1983 (or at the latest, in 1984), Romania will complete the Constanza-Cerna Voda canal.

These two installations will make even greater contributions to the potential for greater use of river-maritime shipping. The cargo is available. Transport with countries of the Near East (especially Iran and Iraq), is particularly poorly developed.

Much work remains to change current attitudes among transport users from Eastern Serbia via Prahovo, from Serbia via Belgrade, from Vojvodina via Novi Sad and the canal, from Croatia via Vukovar, Osijek and Sisak and Bosnia via Vukovar and Brcko.

12131

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LAW ON PAYMENTS IN CONVERTIBLE CURRENCY

Belgrade SLUZHBIENI LIST SFRJ in Serbo-Croatian No 34, 5 Jul 83 pp 997-1000

[Law adopted by the SFRY Assembly in a session of the Chamber of Republics and Provinces on 2 July 1983 and signed by Mika Spiljak, chairman of the SFRY State Presidency, and Vojo Srzentic, president of the SFRY Assembly]

[Text] Article 1

Foreign exchange to pay obligations under foreign credits shall be furnished by organizations of associated labor and other civil juridical persons which have taken those credits either by concluding themselves the contract on the credits or by virtue of a bank authorized for foreign transactions (hereinafter "authorized bank") having concluded the contract on the credits in its own name but on the account of the organization of associated labor or other civil juridical person.

All members of an authorized bank shall furnish foreign exchange to pay obligations under bank lines of credit which authorized banks have taken with foreign banks.

Article 2

An organization of associated labor or other civil juridical person with headquarters in republics and autonomous provinces whose level of indebtedness exceeds the Yugoslav average shall pay a portion of their obligations under foreign credits taken before 31 December 1982 with foreign exchange furnished by all civil juridical persons in the Socialist Federal Republic of Yugoslavia.

The amount and sources of foreign exchange to meet the obligations referred to in Paragraph 1 of this article and the criteria for use of that foreign exchange shall be prescribed for each year by the Federal Executive Council, which it shall report to the SFRY Assembly within 15 days of the date when that regulation is adopted.

Article 3

If the organizations of associated labor and authorized banks referred to in Article 1 of this law are unable to furnish foreign exchange to pay obligations

under foreign credits within the dates when they come due because they do not possess foreign exchange in their accounts, the foreign exchange shall be furnished by other organizations of associated labor associated with the debtor to make up the same work organization or complex organization of associated labor.

The authorized banks in which the organizations of associated labor referred to in Paragraph 1 of this article and other civil juridical persons have a foreign exchange account are required for purposes of furnishing foreign exchange in the context of this law, at the request of the authorized banks through which obligations under credits are being met, to block the foreign exchange accounts of those organizations of associated labor and other civil juridical persons and at the request of that authorized bank to transfer the foreign exchange to its account abroad.

If the foreign exchange of debtor organizations of associated labor which are associated with the debtor to form the same work organization or complex organization of associated labor is not sufficient to pay the obligations under foreign credits within the dates when they come due because they do not possess foreign exchange in their accounts, other members of the basic bank or associated bank shall furnish the foreign exchange to make those payments.

If organizations of associated labor and other civil juridical persons and their authorized banks cannot furnish foreign exchange in the manner envisaged in Paragraphs 1 through 3 of this article, the foreign exchange shall be furnished by authorized banks with headquarters in the republic or autonomous province in which the headquarters of the debtor whose obligation has not been met is located.

The national banks of the republics and national banks of the autonomous provinces shall see that the authorized banks fulfill the obligations stated in Paragraph 4 of this article.

If organizations of associated labor and other civil juridical persons and their authorized banks within the republic or autonomous province fail to furnish foreign exchange in the manner envisaged in Paragraph 4 of this article, the foreign exchange which is lacking shall be furnished by all civil juridical persons in the Socialist Federal Republic of Yugoslavia through a mandatory allocation of a portion of their inflow of foreign exchange.

Authorized banks which cannot furnish foreign exchange in the manner envisaged in Paragraphs 1 through 3 of this article are required to institute proceedings with the national bank of the republic or national bank of the autonomous province for the foreign exchange to be furnished in the manner envisaged in Paragraph 4 of this article no later than 30 days before the date when the payment obligation under the foreign credit comes due.

The national bank of the republic or national bank of the autonomous province shall state what amount of foreign exchange and under what terms and conditions the particular banks with headquarters in the republic or autonomous province must transfer to another bank.

The national banks of the republics and national banks of the autonomous provinces are required no later than 20 days before the date when payment obligations under a foreign credit come due to notify the National Bank of Yugoslavia as to whether and in what manner foreign exchange has been furnished to pay those obligations of organizations of associated labor and authorized banks within the respective republics or autonomous provinces.

Article 4

Special foreign exchange resources shall be built up in the National Bank of Yugoslavia in order to furnish the foreign exchange referred to in Article 3, Paragraph 6, of this law.

The special foreign exchange resources referred to in Paragraph 1 of this article shall be built up by an appropriation of foreign exchange from the inflow of foreign exchange of organizations of associated labor and other civil juridical persons in a percentage to be fixed each year by the Federal Executive Council, but which may not be less than 5 percent.

The National Bank of Yugoslavia shall temporarily sell the foreign exchange referred to in Paragraph 1 of this article for a fixed term to authorized banks which have been unable to furnish foreign exchange in the manner envisaged in Article 3, Paragraph 4, of this law.

Article 5

If foreign exchange has not been furnished in the manner envisaged in Articles 1 through 4 of this law, the National Bank of Yugoslavia shall issue an order to all authorized banks to settle the payment obligations for other authorized banks in proportion to the amount of foreign exchange which they possess in accounts abroad, in the amounts and by the dates which it fixes, or to transfer the corresponding amount of foreign exchange from their accounts abroad to the account of other authorized banks and the National Bank of Yugoslavia.

In the cases referred to in Paragraph 1 of this article the National Bank of Yugoslavia shall stop all payments abroad of an authorized bank for which payment has been made abroad until that bank meets its obligation to the authorized banks and to the National Bank of Yugoslavia which in its place discharged its obligation abroad.

Article 6

As an exception to the provisions of Articles 1 through 4 of this law, foreign exchange to pay foreign financial credits which organizations of associated labor and an authorized bank have sold on the foreign exchange market before 28 February 1980, payments under which come due after the date when this law takes effect, shall be furnished by civil juridical persons by appropriating a portion of the inflow of foreign exchange realized in an amount described by the Federal Executive Council.

The Federal Executive Council shall adopt the regulation referred to in Paragraph 1 of this article before 30 September 1983.

The authorized banks shall transfer the foreign exchange set aside in the context of Paragraph 1 of this article to an account of the National Bank of Yugoslavia abroad.

Foreign exchange which organizations of associated labor have sold to an authorized bank after 1 March 1980 to pay off foreign financial credits under which payments come due after the date when this law takes effect shall be furnished by members of the authorized bank which purchased the foreign exchange out of the resources of those credits.

Article 7

Organizations of associated labor and authorized banks which sell foreign exchange to the National Bank of Yugoslavia obtained through credit from the International Bank for Reconstruction and Development, EUROFIMA credit, and the credit of other international financial organizations shall purchase foreign exchange from the National Bank of Yugoslavia to repay those credits within the intervals when payments under those credits come due.

Organizations of associated labor which sell foreign exchange from the credit of the International Bank for Reconstruction and Development, EUROFIMA credit and the credit of other international financial organizations to an authorized bank shall purchase foreign exchange to repay those credits from an authorized bank within the intervals when payments under those credits come due.

The relations referred to in Paragraphs 1 and 2 of this article shall be regulated by the contract on the purchase and sale of foreign exchange.

Article 8

Organizations of associated labor and authorized banks shall regulate their mutual rights and obligations in furnishing foreign exchange on the basis of the provisions of this law in a self-management accord or contract.

Article 9

For the purpose of this law "temporary sale of foreign exchange" means sale of foreign exchange for a fixed term whereby the purchaser is required to sell the foreign exchange purchased within the agreed time at the rate of exchange at which he purchased the foreign exchange.

Article 10

If the National Bank of Yugoslavia, pursuant to the provisions of this law, pays the obligations of one bank with foreign exchange from the account of another bank, it shall issue an order that foreign exchange in the amount of the payment made abroad shall be collected from that bank's current inflow of foreign exchange and that amount of foreign exchange transferred to the bank from

whose account the payment was made. If the payment was made from the accounts of several banks, the foreign exchange shall be transferred in proportion to the accounts of those banks.

Article 11

Authorized banks are required to discharge obligations abroad promptly and to take measures and undertake activities so that their members discharge obligations abroad promptly related to current payments and obligations under foreign credits. To that end the authorized banks are required to compile monthly, quarterly, semiannual and annual plans of foreign exchange inflow and outflow.

The National Bank of Yugoslavia shall prescribe the manner in which the plan of foreign exchange inflow and outflow referred to in Paragraph 1 of this article shall be compiled within 10 days from the date when this law takes effect.

The authorized banks must submit the plans referred to in Paragraph 1 of this article within the prescribed period to the national bank of the republic or national bank of the autonomous province and to the National Bank of Yugoslavia for purposes of ascertaining the total requirements for payment of fixed and guaranteed obligations abroad.

Article 12

In order to ensure that the payments of authorized banks are made in conformity with the provisions of this law, an authorized bank may not issue a single order for payment abroad except for payment of fixed and guaranteed obligations abroad unless it is certified by the authorized controller of the National Bank of Yugoslavia.

The governor of the National Bank of Yugoslavia shall appoint authorized controllers for every authorized bank.

An authorized bank has the right to object to the decision of the authorized controller of the National Bank of Yugoslavia. The filing of an objection shall not stay execution of the decision of the authorized controller of the National Bank of Yugoslavia. The objection shall be ruled on by the governor of the National Bank of Yugoslavia.

Article 13

With a view to fulfillment of the plans referred to in Article 11 of this law the National Bank of Yugoslavia may use the available foreign exchange in accounts of the National Bank of Yugoslavia to make payments abroad.

Within 10 days from the date when this law takes effect the authorized banks are required to grant the National Bank of Yugoslavia authority to dispose of all their resources in all their accounts in all banks abroad in order to discharge obligations in conformity with the provisions of this law.

If an authorized bank does not act in conformity with the provision of Paragraph 2 of this article, it shall relinquish the right to conduct foreign exchange transactions and it must within the following 15 days liquidate its accounts abroad and transfer foreign exchange from those accounts to an account of the authorized bank which is designated by the competent body of the republic or province.

The National Bank of Yugoslavia shall prescribe with which foreign correspondents authorized banks may have their foreign exchange accounts. Authorized banks are required to submit reports to the National Bank of Yugoslavia concerning the balance in those accounts within the periods prescribed by the National Bank of Yugoslavia.

Article 14

An authorized bank whose obligation abroad has been met by the National Bank of Yugoslavia is required to transfer its entire current inflow of foreign exchange up to the level of the payment made from its accounts abroad to accounts of the National Bank of Yugoslavia abroad.

Article 15

If an organization of associated labor or authorized bank in which the foreign exchange of the organization of associated labor is kept fails to pay off a foreign credit on time, the National Bank of Yugoslavia shall issue an order to the Social Accounting Service for transfer from the giro account of that organization of associated labor or the authorized bank to an authorized bank or to the National Bank of Yugoslavia the dinar equivalent of the foreign exchange of the obligation which has come due under the foreign credit, which shall remain without interest in the account of the authorized bank or the National Bank of Yugoslavia until that obligation is met.

Article 16

If an authorized bank does not pay off a foreign credit on time or does not sell temporarily purchased foreign exchange to the National Bank of Yugoslavia within the period specified in the contract or does not transfer foreign exchange under an order of the National Bank of Yugoslavia to another authorized bank or the National Bank of Yugoslavia, the National Bank of Yugoslavia shall stop all that bank's payments abroad except payments of fixed and guaranteed obligations abroad which have come due.

Simultaneously with stopping payments under Paragraph 1 of this article the National Bank of Yugoslavia shall suspend the authorized bank's use of resources from primary note issue and shall undertake collection of resources from primary note issue already used in the dinar amount of the unpaid obligation referred to in Paragraph 1 of this article and shall place a limit on the volume of its lending so that it may not increase it beyond the amount as of the day when payment was stopped under Paragraph 1 of this article. The National Bank of Yugoslavia shall simultaneously issue an order to the Social Accounting Service to block the giro account of the authorized bank which has

paid obligations abroad or has not repaid a foreign exchange loan to the National Bank of Yugoslavia until the dinar equivalent of the foreign exchange obligation referred to in Paragraph 1 of this article is provided for.

Application of the measures referred to in Paragraphs 1 and 2 of this article shall remain in effect until the bank discharges the obligations referred to in Paragraph 1 of this article.

If an associated bank has not discharged obligations as referred to in Paragraph 1 of this article, the measures referred to in Paragraphs 1 and 2 of this article shall be applied against the basic banks which are members of the associated bank to which those obligations pertain.

If within 30 days from the date when an obligation comes due a bank does not discharge obligations which were the reason for undertaking the measures referred to in Paragraphs 1 and 2 of this article, the National Bank of Yugoslavia shall within 3 days issue a decision depriving that bank of the right to conduct foreign exchange transactions, and an authorized bank must within 15 days of the date of delivery of that decision liquidate its accounts abroad.

The National Bank of Yugoslavia shall also deliver the decision taking away the right stated in Paragraph 5 of this article to the authorities in the republic or autonomous province which exercise surveillance over the operation of the bank in question. The organizations of associated labor which are the members of that bank and the agencies in the republic and autonomous province which exercise surveillance over the operation of the bank are required within 20 days of the delivery date of the decision of the National Bank of Yugoslavia to designate the bank which will assume the rights and obligations of the bank whose right to conduct foreign transactions has been taken away.

Article 17

Organizations of associated labor and other civil juridical persons which may in conformity with the Law on Foreign Exchange Transactions and Credit Relations With Foreign Countries (SLUZBENI LIST SFRJ, Nos 15, 1977; 61, 1982; and 77, 1982) borrow abroad through authorized banks use to pay their obligations under foreign credits coming due between 18 January and 31 December 1983 financial credits taken by the National Bank of Yugoslavia to refinance those obligations or credits covered by its guaranties.

With respect to the rate of interest and other costs of credit the credit referred to in Paragraph 1 of this article shall be used under the same terms and conditions under which the National Bank of Yugoslavia took those credits abroad.

Article 18

If organizations of associated labor and other civil juridical persons do not use the credits referred to in Article 17 of this law, they must discharge their obligations under the credits in the manner stipulated in the contract, but in such manner that the authorized banks through which they discharge

their obligations under the credits shall not execute payment orders abroad, but shall transfer foreign exchange in the amount of the obligations which have come due from their accounts abroad to the account of the National Bank of Yugoslavia abroad.

Authorized banks which do not possess in accounts abroad a sufficient amount of foreign exchange to execute the orders referred to in Paragraph 1 of this article may in their own name and on their own account use credits from the National Bank of Yugoslavia referred to in Article 17 of this law.

Article 19

Authorized banks may deposit foreign exchange in accounts abroad for an unspecified period of time requiring a period of notice for withdrawal or in a time account solely on the basis of permission of the National Bank of Yugoslavia.

Article 20

If in spite of the application of the previous provisions of this law circumstances arise so that payments abroad cannot be made promptly, the Federal Executive Council may on the recommendation of the National Bank of Yugoslavia suspend all payments abroad for a specified period of time except fixed and guaranteed obligations coming due at that time.

Article 21

As an exception to the provisions of this law, foreign exchange to pay obligations under foreign credits which came due and were not met in 1982 and in the period from 1 to 17 January 1983, and also obligations related to foreign credits and consisting of interest which has come due and has not been met in the period from 17 January to 27 August 1983, shall be furnished by organizations of associated labor and other civil juridical persons which took those credits, and that whether they themselves have concluded the contract on the credit or the credit was taken by an authorized bank in its own name but on the account of the organization of associated labor or other civil juridical person.

If the national bank of a republic or the national bank of an autonomous province ascertains together with the National Bank of Yugoslavia that a basic bank or associated bank is unable to discharge obligations under Paragraph 1 of this article because it does not possess foreign exchange in its accounts, the National Bank of Yugoslavia shall issue an order to banks whose headquarters are in the republic or autonomous province in which the authorized bank of the debtor has its headquarters to transfer within 3 days from the date when this law take effect foreign exchange from its account abroad to the account of the bank whose obligation has come due for payment or to discharge the payment obligation on the account of that bank.

If the National Bank of Yugoslavia finds that the banks referred to in Paragraph 2 of this article are unable to furnish foreign exchange to pay the

obligations referred to in Paragraph 1 of this article because they do not possess foreign exchange in their accounts, it shall issue an order to all authorized banks to pay the obligation come due in proportion to the amount of the foreign exchange which they possess at that moment in their accounts or to transfer the necessary amount of foreign exchange to the account of the authorized bank whose obligation is being paid.

The banks referred to in Paragraphs 2 and 3 of this article shall regulate their mutual relations in connection with payments of obligations come due in a contract for the temporary sale of foreign exchange.

The National Bank of Yugoslavia and the national banks of the republics and national banks of the autonomous provinces shall take steps to discharge obligations under the contracts referred to in Paragraph 4 of this article.

Authorized banks which do not discharge payment obligations in conformity with this law until they discharge obligations under a contract for temporary sale of foreign exchange may not make current payments abroad.

Article 22

The following shall be subject to a fine of not less than 100,000 and not more than 1 million dinars for an economic violation:

- 1) an authorized bank in which the organization of associated labor or other civil juridical person referred to in Article 3, Paragraph 1, of this law has its foreign exchange account if at the request of the authorized bank through which obligations under a credit are being discharged it does not block the foreign exchange account of that organization of associated labor or does not transfer the foreign exchange to its account abroad (Article 3, Paragraph 2);
- 2) a civil juridical person if it does not set aside a portion of the inflow of foreign exchange it realizes in the amount prescribed by the Federal Executive Council to pay off foreign financial credits which organizations of associated labor and authorized banks have sold on the foreign exchange market up to 28 February 1980 and on which payments come due after the date when this law takes effect (Article 6, Paragraph 1);
- 3) an authorized bank if it issues an order for payment abroad, except an order for payment of fixed and guaranteed obligations, which has not been certified by the authorized controller of the National Bank of Yugoslavia (Article 12, Paragraph 1);
- 4) an authorized bank whose obligation abroad has been discharged by the National Bank of Yugoslavia if it does not transfer the entire inflow of foreign exchange up to the level of the payment made from its foreign exchange accounts abroad to the account of the National Bank of Yugoslavia abroad (Article 14).

The person responsible in the authorized bank or civil juridical person shall also be subject to a fine of no less than 10,000 and no more than 50,000 dinars for the economic violation referred to in Paragraph 1 of this article.

Article 23

An authorized bank shall be subject to a fine of no less than 10,000 and no more than 100,000 dinars for a misdemeanor if it does not compile a plan of foreign exchange inflow and outflow or does not submit it within the prescribed period to the national bank of the republic or national bank of the autonomous province and to the National Bank of Yugoslavia (Article 11, Paragraphs 1 and 3).

The person responsible in the authorized bank shall also be subject to a fine of no less than 2,000 and no more than 20,000 dinars for the misdemeanor referred to in Paragraph 1 of this article.

Article 24

During the life of this law the provisions of the Law on Foreign Exchange Transactions and Credit Relations With Foreign Countries and the Law on the National Bank of Yugoslavia and the Uniform Monetary Transactions of National Banks of the Republics and National Banks of the Autonomous Provinces shall not be applied if they are contrary to the provisions of this law.

Article 25

This law shall take effect on the day after publication in SLUZHBI LIST SFRJ.

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END